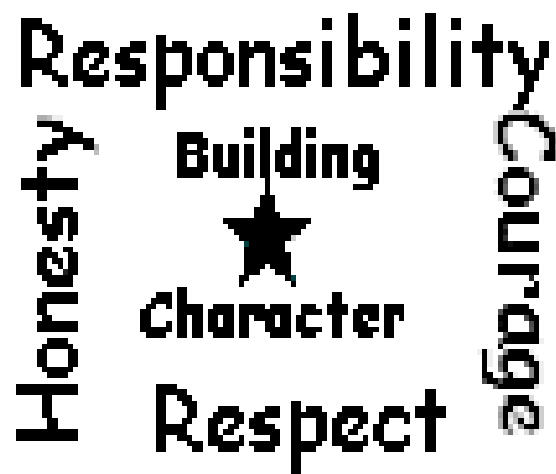


Grand Blanc Community Schools
Grand Blanc, Michigan



A Tradition of Excellence - Our Plan for the Future

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008

GRAND BLANC COMMUNITY SCHOOLS
11920 South Saginaw
Grand Blanc, Michigan 48439



Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008

Prepared by:

Dana J. Taylor, CPA
Director of Business Affairs

GRAND BLANC COMMUNITY SCHOOLS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2008

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October 29, 2008

Board of Education
Grand Blanc Community Schools
11920 South Saginaw Street
Grand Blanc, Michigan 48439

Dear Board Members:

This is the Comprehensive Annual Financial Report of the Grand Blanc Community Schools for the fiscal year ended June 30, 2008. The district's management is responsible for the accuracy, completeness, and fair presentation of the financial information and related disclosures. We believe that the information presented in this report fairly states the financial position and results of operations of the district. The financial information and related disclosures are intended to enable the reader to gain an understanding of the district's financial position at June 30, 2008.

Report Organization

This report is organized into four sections. The Introductory Section presents the organizational chart for the district as well as the Certificate of Excellence in Financial Reporting (CAFR) award received for the fiscal year ended June 30, 2007. The Association of School Business Officials (ASBO) International awards the CAFR certificate to districts that meet or exceed the reporting principles and standards set by ASBO.

The Financial Section contains the auditor's opinion letter and the Management's Discussion and Analysis report. The Management's Discussion and Analysis report provides a more detailed analysis of the financial condition of the District and can be found on pages 11 – 17 of this report. The District's basic financial statements, fund financial statements and required supplemental information are also contained in this section. The district received an unqualified audit opinion on its financial statements for the year ended June 30, 2008. There were no scope limitations.

The Single Audit Section presents the auditor's compliance reports regarding Federal revenue as well as the Schedule of Expenditures of Federal Awards.

The Statistical Section presents selected financial and demographic information on a multi-year basis when appropriate.

District Background

Grand Blanc Community Schools provides public education to students in Kindergarten through twelfth grades. Additional services include programs for children ages 0-3 years, Early Start and Head Start programs for three and four year old children, and community education classes for adult enrichment. The District also provides Parks and Recreation programs for community members in collaboration with Grand Blanc Township and the City of Grand Blanc.

Board of Education

Jane L. Brewer, *President* Debra C. Hancock, *Vice President* Lisa A. Kunkleman, *Secretary* Larry Polzin, *Treasurer*
Michael E. Blondell, *Trustee* Lillian G. Mason, *Trustee* Martin J. Ray, *Trustee*

Administration

Michael L. Newton, Ph.D., *Superintendent* Norman M. Abdella, Ed.D., *Assistant Superintendent*
James P. Adams II, *Director of Operations* Dana J. Taylor, C.P.A., *Director of Business Affairs* Clarence Garner, *Director of Personnel*

Competitive Environment

There are two charter schools currently located within the district: Woodland Park Academy and Grand Blanc Academy. Woodland Park Academy provides educational services to approximately 387 students in the Kindergarten through eighth grades. Most of these students reside outside the Grand Blanc Community Schools district. Woodland Park Academy is chartered and controlled by Central Michigan University. Grand Blanc Academy is a charter school managed by Mosaica and provides educational services to approximately 456 students in Kindergarten through the eighth grades. Neither charter school is directed or controlled by the Grand Blanc Community Schools Board of Education.

Private schools located within the district include Holy Family Catholic School. Holy Family provides educational services to approximately 498 students in grades Kindergarten through eighth, 98% of whom are residents of the district. Holy Family is not directed or controlled by the Grand Blanc Community Schools Board of Education.

Strategic Plan

All activities of the Grand Blanc Community Schools are guided by a strategic plan that has been refined through annual review since its inception in 1989. Through this process, the Board of Education provides a rich, comprehensive general education program for students. Additionally, quality programs are provided in Special, Compensatory, and Vocational Education as well as enrichment opportunities for academically gifted students. These programs contributed to student success demonstrated by the following sample of district-wide achievements:

- Student scores on the Michigan Educational Assessment Program (MEAP) at all grade levels continue to be among the best in Michigan, and Grand Blanc High School's average MEAP scores continue to rank in the top 1% of all high schools in the state
- Every graduate in the Class of 2008 passed the MEAP Reading, Science, Writing and Mathematics tests. Grand Blanc High School is one of the few schools in Michigan that requires its graduates to meet this standard
- \$1,156,000 in Michigan Promise scholarship money was earned by the class of 2008
- Surveys reveal high degrees of student satisfaction regarding their acceptance at school regardless of cultural, ethnic, gender, academic, or other individual differences
- Students, support staff, faculty, and administrators earned many honors and awards.

Academic Achievement

The district has committed to the use of the national Baldrige criteria for performance excellence. These standards are more comprehensive than the North Central Accreditation and meet or exceed those standards.

The academic achievement of students within the district is formally measured by the results of the Michigan Educational Assessment Program (MEAP) and the American College Test (ACT). The MEAP provides a comparison of Grand Blanc students with a state-established standard in reading, writing, mathematics, science and social studies. The ACT results are used to determine the level of preparation for our college-bound high school students. The average ACT scores of our students consistently exceed state and national averages.

Federal legislation requires that each State have a single school accountability system that addresses all public schools. This accountability system must include Adequate Yearly Progress (AYP) in conformity with the specific federal requirements. Michigan's school accountability system (Education Yes!) seeks to provide feedback to schools and parents on how they are faring based on high standards for all students. Each school building is given a Composite Grade based on 1) *achievement status* to measure how well a school is educating its students; 2) *achievement change* to measure whether student achievement is improving or declining, and 3) *achievement growth* to measure whether students are demonstrating at least one year of academic growth for each year of instruction (AYP). The Composite Grade is the overall grade for the school, arrived at by combining results over 2 years. Many schools will not receive a letter grade under Education Yes! due to insufficient data for the calculations. In our district, insufficient data is the result of too few students in a rating category. All other buildings earned an "A" Composite Grade and met AYP as illustrated below:

<u>Building</u>	<u>Composite Grade</u>	<u>AYP Status</u>
Anderson Elementary (K-2)	A	Met AYP
Brendel Elementary (K-5)	A	Met AYP
Cook Elementary (K-2)	A	Met AYP
Indian Hill Elementary (K-5)	A	Met AYP
Mason Elementary (3-5)	A	Met AYP
McGrath Elementary (3-5)	A	Met AYP
Myers Elementary (K-5)	A	Met AYP
Perry Kindergarten	No Grade	Too few
Perry City School	A	Met AYP
Reid Elementary (K-5)	A	Met AYP
Middle School East (6-8)	A	Met AYP
Middle School West (6-8)	A	Met AYP
High School (9-12)	A	Met AYP

The State of Michigan also contracted with Standard & Poor's to conduct an analysis of Michigan school districts based on school district data for the years 1997-1999 through June 30, 2006. The most recent report listed the Grand Blanc Community School district as an "outperforming school district," one of just 43 school districts named state-wide. An outperforming school district is one that reports significantly higher percentages of students who are proficient or above on state reading and math tests than other school districts with similar levels of poverty.

The complete Standard & Poor's evaluation report and the Michigan School Report Cards can be located through the Michigan Department of Education website at www.michigan.gov/mde.

Economic Environment

Michigan voters approved the state constitutional amendment known as Proposal A in the spring of 1994. Funding of district operations shifted dramatically from local property tax revenue to State Aid as a result of this amendment. This is illustrated in the ten-year history of the General Fund revenues that appear in the Statistical Section of this report. Voter approval of the district's Sinking Fund in 2005 and the 2004 bond issues provide additional funding for essential capital projects.

The declining automobile industry continues to significantly influence the economy in Grand Blanc. However, commercial and residential real estate developments have grown within the district fueled by growth from northern Oakland County and southern Genesee County. This

growth ensures the stability of the district debt levies as well as the Capital Projects-Building and Site levy.

Student enrollment has increased over 1,681 students in the last five years. To service the continued enrollment growth, the district completed the construction of two new middle school buildings, as well as a transportation building and additions and renovations to other district facilities. For these capital projects, the voters of the community approved a \$94,000,000 qualified bond issue in March 2004. The new construction was complete at June 30, 2007. The district's current bond rating by Moody's Investor Service is AAA.

Accounting Environment

Internal Controls: Internal controls are administered under the direction of the Board of Education and the Superintendent. In addition to budgetary controls for expenditures, receipting processes and other areas of financial management are reviewed on a continuing basis. The district believes its internal controls are adequate and can be relied upon to reduce to a relatively low level the risk that misstatements, in amounts that would be material in relation to the financial statements, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

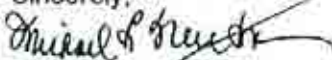
Budgetary Controls: The district uses the combination of a centralized and site-based budgeting process. This system of budgetary controls is designed to effectively allocate resources to maximize student benefit. All budgeted expenditures focus on the educational goals, building-level school improvement plans and the overall strategic plans of the district. It is district policy to preserve an unrestricted fund balance of 5%, based on total funds available to appropriate. This policy has allowed the district to continually improve quality educational services to the students of the district.

Cash Management: The district's cash management policy and procedure is designed to ensure maximum interest earnings on available cash balances with minimal principal investment risk. The district invests its available cash balances in certificates of deposit, interest-bearing checking accounts, United States Treasury and Agency bonds and A1P1 rated commercial paper. The Board annually adopts a 100% summer tax levy that has enabled the district to avoid borrowing against State Aid to fund cash flow needs.

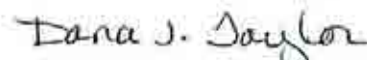
Risk Management: The district self-funds employee dental and optical care benefits. A plan administrator collects premiums from the district based on actual claims paid in the prior year. Excess contributions may be returned to the district or netted against current year premium payments. Past results of these programs have been favorable when compared to fully insured programs offered by insurance companies. All other employee insurances are purchased from reputable companies. Terms of property, general liability and worker compensation insurance policies appear on the insurance schedule in the Statistical Section of this report.

We thank the members of the Board of Education for their continued guidance and support. Copies of this report are available for public distribution upon request.

Sincerely,



Michael Newton, Ph.D.
Superintendent of Schools



Dana J. Taylor, CPA
Director of Business Affairs

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

GRAND BLANC COMMUNITY SCHOOLS

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2007

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

GRAND BLANC COMMUNITY SCHOOLS
11920 SOUTH SAGINAW STREET
GRAND BLANC, MICHIGAN 48439

COMPREHENSIVE ANNUAL FINANCIAL REPORT

PRINCIPAL OFFICIALS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

BOARD OF EDUCATION

MR. MICHAEL BLONDELL	PRESIDENT
MRS. JANE BREWER	VICE PRESIDENT
MRS. SUSAN EDWARDS	SECRETARY
MR. LARRY POLZIN	TREASURER
MRS. LILIAN MASON	TRUSTEE
MRS. DEBRA HANCOCK	TRUSTEE
MRS. LISA KUNKLEMAN	TRUSTEE

SUPERINTENDENT
MICHAEL NEWTON, Ph.D.

ASSISTANT SUPERINTENDENT
NORMAN ABDELLA, Ed.D.

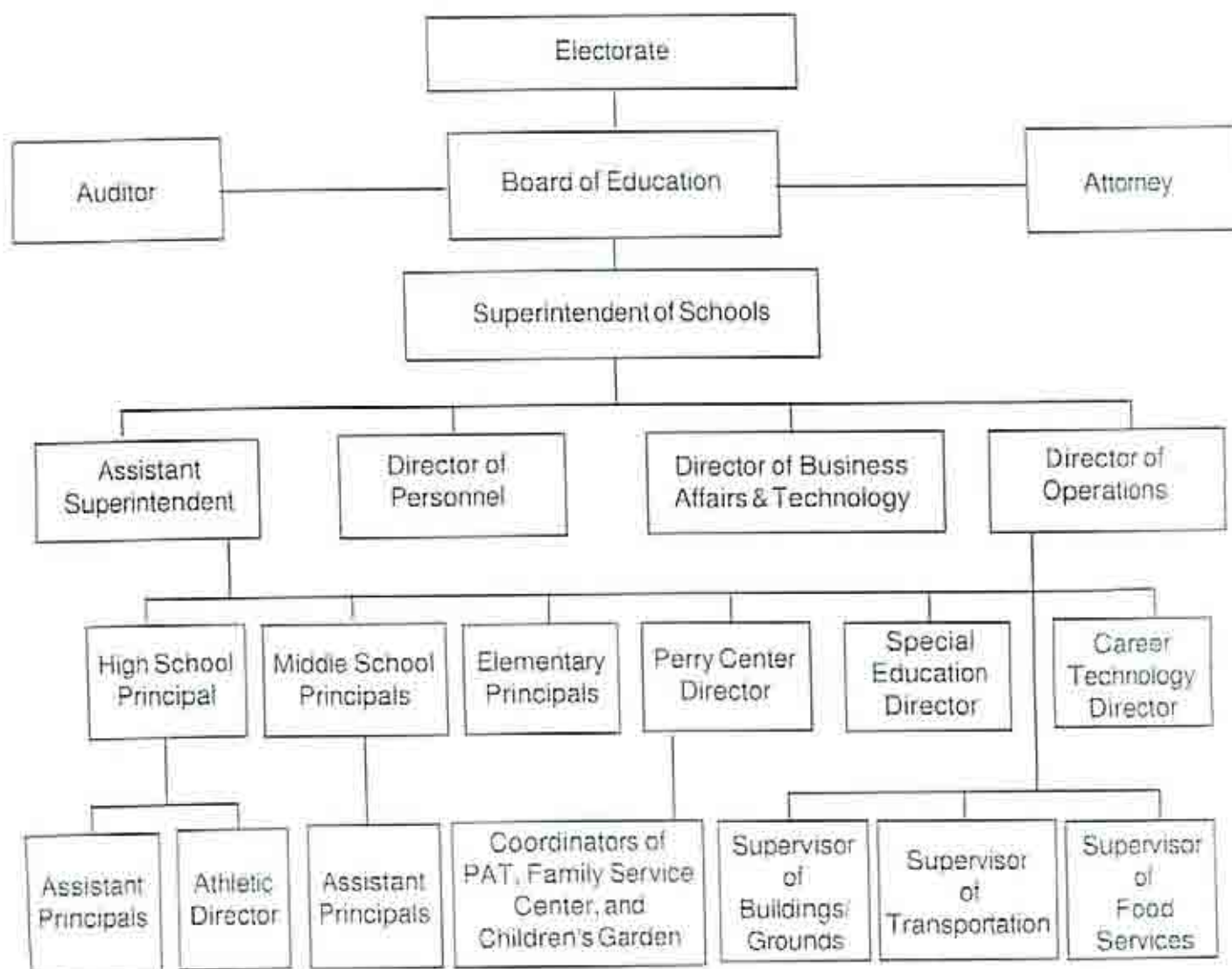
DIRECTOR OF OPERATIONS
J.P. ADAMS

PERSONNEL DIRECTOR
DIANE WILBUR

DIRECTOR OF BUSINESS AFFAIRS
DANA J. TAYLOR, CPA

ADMINISTRATIVE ORGANIZATIONAL CHART

July 2008





Lewis & Knopf, CPAs, P.C.

Serving You with Trust and Integrity

October 29, 2008

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Grand Blanc Community Schools

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Blanc Community Schools, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Grand Blanc Community School's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Grand Blanc Community Schools, as of June 30, 2008, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2008 on our consideration of the Grand Blanc Community School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis information and budgetary comparison information on pages through 11 – 17 and page 37, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grand Blanc Community School's basic financial statements. The introductory section and additional information on pages 39 - 90 are presented for purposes of additional analysis and is not a required part of the basic financial statements. The additional information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section on pages 1 – 7 and statistical sections on pages 65 – 90 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them.

Lewis & Knopf, P.C.
LEWIS & KNOFF, P.C.

CERTIFIED PUBLIC ACCOUNTANTS



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Grand Blanc Community Schools – Grand Blanc, Michigan
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

Our discussion and analysis of Grand Blanc Community Schools' financial performance, a GASB 34 requirement, provides an overview of the School District's financial activities for the fiscal year ended June 30, 2008.

This reporting model was adopted by the Governmental Accounting Standards Board (GASB) in *Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June, 2000.

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The School District's annual report includes fund financial statements and district-wide financial statements. The fund financial statements are comparable to statements presented in years prior to June 30, 2002 except that the General Fixed Assets and General Long Term Debt account groups are no longer reported. The fund-level statements are reported using a modified accrual basis of accounting. That is, only those assets that are "measurable" and "currently available" are reported, and liabilities are recognized to the extent they would normally be paid with current financial resources. Fund financial statements report the School District's operations in more detail than the district-wide financial statements by providing information about the School District's most significant funds – the General Fund, Special Services Funds, Capital Projects Funds, and Debt Service Fund.

The District-wide Statement of Net Assets and Statement of Activities are reported using the full accrual basis of accounting. With this method all of the District's assets and liabilities, and all of the current year revenues and expenditures, are reported regardless of when cash is received or paid. These statements provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. For example, the Statement of Activities details how the District's services were financed in the short-term and the amount that remains for future spending. The Statement of Net Assets aggregates the District's restricted and unrestricted assets as well as short and long-term obligations recorded in all funds.

FINANCIAL POSITION AND RESULTS OF OPERATIONS

The District's *net assets* – the difference between assets and liabilities, as reported in the Statement of Net Assets, is one way to measure the School District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net assets, as reported in the Statement of Activities, is one indicator of whether its *financial health* is improving or deteriorating. The relationship between revenues and expenses indicates the School District's *operating results*. However, the School District's goal is to provide services to its students; not to generate profits as commercial entities do. Many other non-financial factors, such as the quality of the education provided and the safety of the schools, must also be considered when assessing the *overall health* of the School District. Standard & Poor's is contracted by the Michigan Department of Treasury to rate all Michigan school districts on the basis of academic performance compared to overall costs. Grand Blanc Community Schools is ranked in the top 1% of all school districts in the state.

Board of Education

Jane L. Brewer, *President* Debra C. Hancock, *Vice President* Lisa A. Kunkleman, *Secretary* Larry Polzin, *Treasurer*
Michael E. Blondell, *Trustee* Lillian G. Mason, *Trustee* Martin J. Ray, *Trustee*

Administration

Michael L. Newton, Ph.D., *Superintendent* Norman M. Abdella, Ed.D., *Assistant Superintendent*
James P. Adams II, *Director of Operations* Dana J. Taylor, C.P.A., *Director of Business Affairs* Clarence Garner, *Director of Personnel*

Grand Blanc Community Schools – Grand Blanc, Michigan
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

The School District's net assets totaled \$33,237,365 at June 30, 2008 and \$34,471,989 at June 30, 2007. At June 30, 2008, \$16,885,490 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and legislation that limits the School District's ability to use those net assets for day-to-day operations.

	June 30, 2008	June 30, 2007
Assets		
Current assets	\$ 25,797,142	\$ 27,786,200
Capital assets net of depreciation	<u>114,257,483</u>	<u>117,933,721</u>
Total assets	<u>\$ 140,054,625</u>	<u>\$ 145,719,921</u>
Liabilities		
Current liabilities	\$ 11,590,653	\$ 11,388,674
Long-term liabilities	<u>95,226,607</u>	<u>99,859,258</u>
Total liabilities	106,817,260	111,247,932
Net Assets		
Invested in capital assets, net of related debt	15,213,720	14,770,913
Restricted for capital projects	333,265	2,714,131
Restricted for debt service	595,066	495,615
Other purposes	209,824	540,915
Unrestricted	<u>16,885,490</u>	<u>15,950,415</u>
Total net assets	<u>33,237,365</u>	<u>34,471,989</u>
Total liabilities and net assets	<u>\$ 140,054,625</u>	<u>\$ 145,719,921</u>

The \$16,885,490 in unrestricted net assets of governmental activities represents District funds that have not been committed contractually or for debt obligations and are available for future use.

Total net assets decreased approximately \$1.23 million in 2007-08. The major components of the net decrease in net fixed assets are as follows:

➤ **Depreciation expense**

The provisions of GASB 34 require districts to maintain a record of annual depreciation expense and accumulated depreciation. The net increase in accumulated depreciation is a reduction in net assets. Depreciation expense is recorded using a straight-line method over the estimated useful lives of the assets. In accordance with generally accepted accounting principles, depreciation expense is recorded based on the original cost of the asset less an estimated salvage value. For the year ended June 30, 2008 the net increase in accumulated depreciation was \$4,159,861.

Grand Blanc Community Schools – Grand Blanc, Michigan
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

➤ Capital acquisitions

Capital outlay for the year ended June 30, 2008 totaled \$483,623. Combined with current year depreciation and the effect of fixed asset disposals, the decrease in net capital assets totaled \$3,676,238.

➤ Debt repayment

The district levies property taxes for the specific purpose of retiring debt. The collection of these taxes and the resultant repayment of debt decreases the District's long-term principal obligations and, as a result, the net assets of the district increase. The District repaid \$4,064,303 of long-term debt in the current fiscal year.

The results of this year's operations for the School District as a whole are reported in the Statement of Activities. Below is a summary of the District-wide results of operations for the year ended June 30, 2008 and June 30, 2007:

	June 30, <u>2008</u>	June 30, <u>2007</u>
General revenue		
Property taxes levied for general operations	\$ 11,183,243	\$10,558,750
State of Michigan aid, unrestricted	51,981,796	50,114,906
Property taxes levied for debt service	8,268,042	8,038,977
Property taxes levied for building & site	1,875,897	1,772,864
Other – federal, state and local	<u>1,732,491</u>	<u>2,391,412</u>
Total general revenue	75,041,469	72,876,929
Program revenue		
Charges for services – local	3,425,147	3,440,198
Operating grants – federal and state	<u>6,596,048</u>	<u>6,087,190</u>
Total revenues	85,062,664	82,404,317
Expenses		
Instruction	47,660,287	58,340,960
Support services	28,710,927	22,827,205
Community services	457,006	430,040
Food services	2,861,555	2,728,402
Athletics	886,621	819,762
Child Care	1,007,185	939,603
Interest on long-term debt	4,713,513	4,871,941
Depreciation (unallocated)	<u>194</u>	<u>70,770</u>
Total expenses	86,297,288	91,028,683
Increase (Decrease) in net assets	<u>(1,234,264)</u>	<u>(8,624,366)</u>
Net assets – July 1	<u>34,471,989</u>	<u>43,096,353</u>
Net assets – June 30	<u>\$ 33,237,365</u>	<u>\$34,471,987</u>

Grand Blanc Community Schools – Grand Blanc, Michigan
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

GOVERNMENTAL FUNDS FINANCIAL HIGHLIGHTS

Our financial statements provide the following insights about the results of this year's operations:

The overall condition of the governmental funds has remained stable from the prior year. In the General Fund, the excess of revenues over expenditures totaled \$116,787. This is attributable to budget reductions made during the year primarily in support services. These reductions were offset by increased expenditures including additional payroll and employee benefit costs, utilities and other operating charges.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to Michigan law and are initially adopted prior to July 1 of each year, before student enrollment counts are known. Therefore, it is expected that there will be changes between the initial budget and subsequent budgets, as actual enrollments and resultant staffing requirements are known. Currently, the most significant budgeted funds are the General Fund and the Capital Projects Funds. During the fiscal year ended June 30, 2008, the School District amended the budgets of these major governmental funds three times, none of them in significant amounts.

General Fund

In the general fund, the actual revenue and other financing sources totaled \$70.3 million. This is above the original budget estimate of \$68 million and below the final amended budgeted amount of \$70.8 million, a variance of less than 1%. The actual expenditures and other financing uses of the general fund totaled \$70.14 million. This is above the original budget estimate of \$69.5 million and below the final amended budgeted amount of \$70.3 million. The variances between the actual revenues and the original and final revenue budgets are due primarily to the following:

- Lower than projected local revenue due to local grants
- Lower than anticipated investment income
- Adjustments to various federal and state grants

The variances between the actual General Fund expenditures and the original and final expenditure budgets are primarily due to under-spending in capital purchases and supply costs.

General Fund revenues totaled \$70.3 million and total expenditures \$70.14 million for the year. The fund balance was approximately \$16.5 million at June 30, 2008.

Capital Projects Funds

The Capital Projects Funds receive revenues from property taxes and building and site bond issues used for the purposes approved by the voters for each issue, as well as interest income from investment of bond proceeds. The actual revenue and other financing sources in the Capital Projects Funds totaled \$1.9 million.

The actual expenditures in the capital projects funds totaled \$4.3 million and included expenditures for Sinking Fund and capital projects funded by the 2004 bond issue as described below.

The 2004 issue was for the purpose of acquiring a site for a new middle school; erecting equipping and furnishing two new middle schools and related athletic fields, and preparing developing and improving the sites therefore; acquiring, installing and equipping school buildings for technology improvements; remodeling, reequipping and refurbishing the Grand Blanc Middle School main campus building to provide a high school building and preparing, developing and improving the site therefore; erecting, equipping and furnishing a Grand Blanc High School and preparing, developing and improving the site therefore; acquiring sites for a new transportation

Grand Blanc Community Schools – Grand Blanc, Michigan
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

services building and a new maintenance and grounds building and preparing developing and improving the sites therefore.

The 2005 Building and Site Sinking Fund was for the purpose of repair, acquisition or construction of capital facilities or equipment held by the School District. The District collects building and site millage across total property values. However, taxable value is capped according to state law at amounts less than market value related to inflation rate growth.

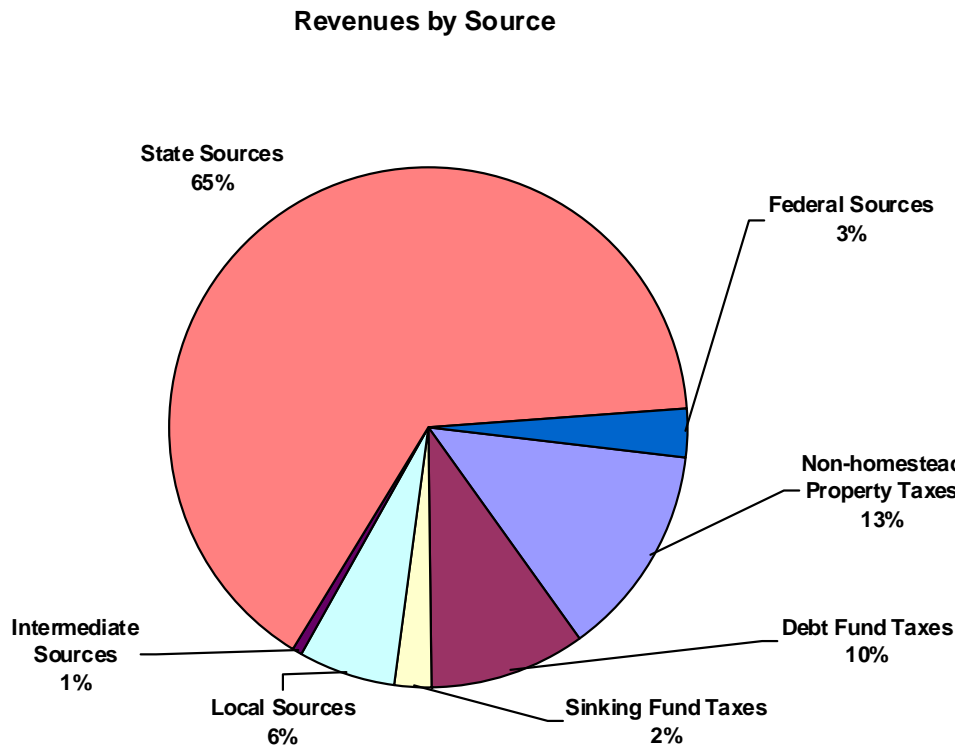
GOVERNMENTAL FUND EXPENDITURES

The following chart illustrates that general fund comprises 80% of all the expenditures within the governmental funds of the School District compared to 69% in the prior year due to 2004 capital projects expenditures. For the year ended June 30, 2008, expenditures totaled \$87.59 million for all District programs. The ending fund balance for all funds was equal to \$19.65 million of which \$396,284 was reserved for Capital Projects.

	Expenditures June 30, 2008 (In millions)	% Of TOTAL	Expenditures June 30, 2007 (In millions)	% Of TOTAL
General Fund	\$70.14	80%	\$69.40	69%
Capital Projects Funds	4.32	5%	18.70	19%
Other Non-major Funds	<u>13.19</u>	<u>15%</u>	<u>12.54</u>	<u>12%</u>
Total	<u>\$87.65</u>	100%	<u>\$100.64</u>	100%

TOTAL REVENUES & OTHER FINANCING SOURCES

Revenues and other financing sources for all governmental funds totaled \$85.1 million. The following graph illustrates the District revenues and other financing sources by source as a percentage of total revenue and other financing sources:



Grand Blanc Community Schools – Grand Blanc, Michigan
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For the Fiscal Year Ended June 30, 2008

Unrestricted State Aid

The district is predominately funded by State Aid, which has increased on a per-pupil basis between years at a modest rate until 2003-04 when an executive order was issued by the State to reduce school funding by \$74 per pupil. State revenues to the District increased by \$1.87 million as the result of increased enrollment and an increase in the per-pupil allocation of \$86. State Aid membership, which is a blended count of 25% of the February and 75% of the September student count, was 8,402 and 8,131 in 2007-08 and 2006-07 respectively. The state per-pupil allocation was \$7,651 for 2007-08 and \$7,565 for the 2006-07 school year.

Property Taxes

The District levies 18 mills of property taxes on all Non-Homestead property located within the district for General Fund operations. The levy is assessed on the taxable value of the property. The increase in taxable value is limited to the lesser of the inflation rate of the prior year or 5%. When a property is sold, the taxable valuation of the sold property is readjusted to the State Equalized Value, which is approximately 50% of market value. The 2007-08 Non-Homestead property tax levy totaled approximately \$11.2 million.

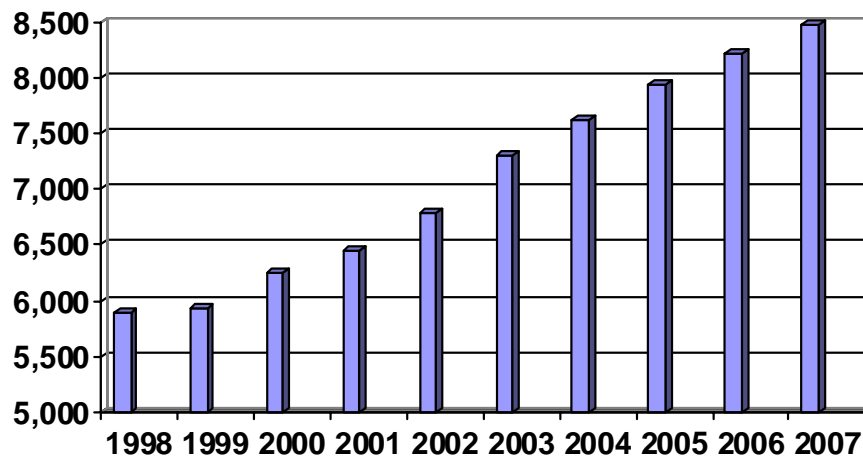
The District levies 4.36 mills of property taxes on all classes of property located within the district for bonded debt retirement. This levy is not subject to rollback provisions and is used to pay the principal and interest on bond obligations. The total amount levied for debt retirement in the current year was \$8.3 million.

The District's sinking fund is used for the repair and maintenance of buildings and equipment. The voters approved a one mill, five-year levy beginning in the year 2005. This levy is subject to rollback provisions and is currently equal to 1.0 mills. The total amount collected in 2007-08 for this purpose was \$1.9 million.

ENROLLMENT

The District's September 2007 enrollment totaled 8,473 students. This is an increase in enrollment of 246 students from the prior year September count. Grand Blanc Community Schools is geographically located in the southeastern portion of Genesee County. This area is experiencing growth along the I-75 corridor fueled by growth in Southeastern Michigan. The District anticipates moderate growth in the near future due to the decreasing residential construction within its boundaries. Enrollment growth over the last ten years can be illustrated as follows:

Enrollment Growth



Enrollment is important to the financial health of the District because State funding is based on a per-pupil formula.

Grand Blanc Community Schools – Grand Blanc, Michigan
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2008, the School District had \$146.3 million invested in land and buildings, furniture and equipment, vehicles and buses. Of this amount, \$32.1 million has been depreciated. Net book value totals \$114.26 million. Additions for the year totaled \$483,626 and were comprised of site improvements, buildings and additions, and bus and equipment purchases. The district's buildings range in years of construction from 1924 (The Perry Center) to 2006 (the Middle School East and Middle School West buildings). The majority of the buildings were constructed in the 1950's and 1960's. The district is committed to the timely repairs and maintenance of its facilities. Computer purchases are under the District's capitalization threshold of \$5,000 and are expensed accordingly.

Capital Assets at Year End (Net of Depreciation) (In Millions)		
	Governmental	Activities
	<u>2008</u>	<u>2007</u>
Land and Improvements	\$ 5.24	\$ 5.24
Buildings and Additions	103.74	106.83
Furniture and Equipment	3.15	3.56
Vehicles & Buses	<u>2.13</u>	<u>2.35</u>
Total	<u>\$ 114.26</u>	<u>\$ 117.93</u>

Debt

OUTSTANDING DEBT AT YEAR-END

At June 30, 2008, the School District had \$95.24 million in bonds outstanding for Capital Projects. The District collects property taxes for the retirement of bonded debt obligations across total property values. Therefore, total growth in valuation is an important element in determining the District's ability to retire bonded debt and/or to incur additional bonded debt as increased enrollment may require.

Additionally, the District had \$400,626 in installment loans outstanding for buses, portable classrooms, copiers and technology equipment including computers.

The estimated liability for unpaid sick days, including salary-related payments was \$721,811 at June 30, 2008. Vacation time earned but not used and payable amounted to \$18,580.

For more detailed information regarding capital assets and debt administration, please review the Notes to the Basic Financial Statements located in the financial section of this report.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This report is designed to give an overview of the financial conditions of the Grand Blanc Community School District. If you should desire additional detailed financial program audits, they can be obtained by contacting the following person:

Dana J. Taylor, CPA
Business Manager
Grand Blanc Community Schools
11920 S. Saginaw Street
Grand Blanc, MI 48439
Office Telephone (810) 591-6008, Fax (810) 591-6018
Or Email – dtaylor@grandblancschools.org

GRAND BLANC COMMUNITY SCHOOLS
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Assets	Governmental Activities
Current Assets		
Cash, cash equivalents and investments		\$ 14,673,356
Accounts receivable		234,115
Due from other governmental units		10,658,649
Inventory		26,751
Prepaid costs		<u>204,271</u>
Total current assets		25,797,142
Non-Current Assets		
Land and land improvements		5,242,962
Buildings and improvements		129,002,068
Equipment and furniture		6,262,586
Vehicles		5,854,918
Less: accumulated depreciation		<u>(32,105,051)</u>
Net fixed assets		114,257,483
Total assets		\$ <u><u>140,054,625</u></u>
	Liabilities	
Current Liabilities		
Accounts payable		765,598
Salaries payable		5,286,159
Payroll deductions and withholdings		20,773
Accrued interest on long-term debt		794,185
Deferred revenue		137,602
Current portion of accumulated unpaid benefits		189,779
Current portion of long-term obligations		<u>4,396,557</u>
Total current liabilities		11,590,653
Non-Current Liabilities		
Noncurrent portion of accumulated unpaid benefits		550,612
Noncurrent portion of long-term obligations		91,244,069
Deferred charges for debt issue premiums & other debt issue costs		<u>3,431,926</u>
Total non-current liabilities		<u>95,226,607</u>
Total liabilities		106,817,260
	Net Assets	
Net Assets		
Invested in capital assets, net of related debt		15,213,720
Restricted for:		
Capital projects		333,265
Debt service		595,066
Other purposes		209,824
Unrestricted		<u>16,885,490</u>
Total net assets		<u>33,237,365</u>
Total liabilities and net assets		\$ <u><u>140,054,625</u></u>

See accompanying notes to the basic financial statements.

GRAND BLANC COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES
JUNE 30, 2008

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Functions/Programs				
Governmental Activities				
Instruction				
Basic programs	\$ 40,136,973	\$	\$ 195,192	\$ (39,941,781)
Added needs	7,523,314		5,016,225	(2,507,089)
Support services	28,710,927		239,615	(28,471,312)
Community services	457,006	226,862	17,053	(213,091)
Food services	2,861,555	2,041,439	1,127,963	307,847
Athletics	886,621	167,399		(719,222)
Child care	1,007,185	989,447		(17,738)
Interest on long-term debt net of amortization of debt issue premium	4,713,513			(4,713,513)
Unallocated depreciation	194			(194)
Total governmental activities	\$ 86,297,288	\$ 3,425,147	\$ 6,596,048	(76,276,093)
General Purpose Revenues				
Property tax - General Fund				11,183,243
Property tax - Sinking Fund				1,875,897
Property tax - Debt Retirement Fund				8,268,042
State school aid - unrestricted				51,981,796
Unrestricted contributions				167,302
Investment earnings				653,028
Miscellaneous				912,161
Total general revenue				75,041,469
Change in net assets				(1,234,624)
Net assets - July 1 (As restated - Note 16)				34,471,989
Net assets - June 30				\$ 33,237,365

See accompanying notes to the basic financial statements.

GRAND BLANC COMMUNITY SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General Fund	Capital Projects Funds	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 11,536,738	\$ 424,173	\$ 2,712,445	\$ 14,673,356
Accounts receivable	171,018	-	63,097	234,115
Due from other governmental units	10,658,649	-	-	10,658,649
Interest receivable	-	-	-	-
Inventory	-	-	26,751	26,751
Prepaid costs	90,952	-	113,319	204,271
Total Assets	\$ 22,457,357	\$ 424,173	\$ 2,915,612	\$ 25,797,142
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 566,679	\$ 90,908	\$ 108,011	\$ 765,598
Salaries payable	5,286,159	-	-	5,286,159
Payroll deductions and withholdings	20,773	-	-	20,773
Deferred revenue	82,915	-	54,687	137,602
Total Liabilities	5,956,526	90,908	162,698	6,210,132
Fund Balance				
Reserved for capital outlay		333,265		333,265
Reserved for debt retirement		-	1,389,251	1,389,251
Reserved for other purposes	209,824		-	209,824
Unreserved				-
Designated for other purposes	659,399			659,399
Undesignated	15,631,608			15,631,608
School Service Fund			1,363,663	1,363,663
Total Fund Balance	16,500,831	333,265	2,752,914	19,587,010
Total liabilities and fund balance	\$ 22,457,357	\$ 424,173	\$ 2,915,612	\$ 25,797,142

See accompanying notes to the basic financial statements.

GRAND BLANC COMMUNITY SCHOOLS
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2008

Total Governmental Fund Balances		\$ 19,587,010
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of net assets	\$ 146,362,534	
Accumulated depreciation	<u>(32,105,051)</u>	114,257,483
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Bonds payable	\$ 95,240,000	
Notes payable	400,626	
Compensated absences payable	<u>740,391</u>	
Total long-term liabilities		(96,381,017)
Deferred charges/credits for debt issue premiums and debt issue costs are reported as liabilities in the statement of net assets and as current year expenditures or other financing sources in the governmental funds		
		(3,431,926)
In the statement of net assets, interest has been accrued on bonds payable as of June 30, 2008		
		<u>(794,185)</u>
Total net assets - governmental activities		\$ <u><u>33,237,365</u></u>

See accompanying notes to the basic financial statements.

GRAND BLANC COMMUNITY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	General Fund	Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 11,183,243	\$ 1,875,897	\$ 8,268,042	\$ 21,327,182
Other local sources	1,620,318	66,332	3,463,630	5,150,280
Interdistrict sources	545,801			545,801
State sources	55,221,066		166,296	55,387,362
Federal sources	1,690,372		961,667	2,652,039
Total revenues	<u>70,260,800</u>	<u>1,942,229</u>	<u>12,859,635</u>	<u>85,062,664</u>
Current Expenditures				
Instruction				
Basic programs	32,908,561			32,908,561
Added needs	7,523,314			7,523,314
Total instruction	<u>40,431,875</u>	<u>-</u>	<u>-</u>	<u>40,431,875</u>
Support services				
Pupil services	3,526,078			3,526,078
Instructional staff services	2,897,678			2,897,678
General administration	716,608			716,608
School administration	4,165,864			4,165,864
Business services	821,253			821,253
Operation and maintenance	9,765,040			9,765,040
Pupil transportation	3,438,627			3,438,627
Central services	2,382,788			2,382,788
Community services	457,006			457,006
Other supporting services			4,735,244	4,735,244
Total support services	<u>28,170,942</u>	<u>-</u>	<u>4,735,244</u>	<u>32,906,186</u>
Capital Projects				
Capital outlay and other costs		4,323,094		4,323,094
Debt service				
Principal			3,550,000	3,550,000
Interest and fiscal charges			4,907,603	4,907,603
Total debt service	<u>-</u>	<u>-</u>	<u>8,457,603</u>	<u>8,457,603</u>
Total expenditures	<u>68,602,817</u>	<u>4,323,094</u>	<u>13,192,847</u>	<u>86,118,758</u>
Excess (deficiency) of revenues over (under) expenditures	1,657,983	(2,380,865)	(333,212)	(1,056,094)
Other financing sources				
Interfund transfers			699,105	699,105
Total other financing sources	<u>-</u>	<u>-</u>	<u>699,105</u>	<u>699,105</u>
Other financing uses				
Installment loan payments	540,983			540,983
Interfund transfers	699,105			699,105
Fiscal agent disbursements	1,475			1,475
Building & construction services	299,633	-		299,633
Total other financing uses	<u>1,541,196</u>	<u>-</u>	<u>-</u>	<u>1,541,196</u>
Excess (deficiency) of other financing sources over (under) other financing uses	<u>(1,541,196)</u>	<u>-</u>	<u>699,105</u>	<u>(842,091)</u>
Net changes in fund balance	116,787	(2,380,865)	365,893	(1,898,185)
Fund balance - July 1 (As Restated - Note 16)	<u>16,384,044</u>	<u>2,714,130</u>	<u>2,387,021</u>	<u>21,485,195</u>
Fund balance - June 30	<u>\$ 16,500,831</u>	<u>\$ 333,265</u>	<u>\$ 2,752,914</u>	<u>\$ 19,587,010</u>

See accompanying notes to the basic financial statements.

GRAND BLANC COMMUNITY SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Total net change in fund balances - governmental funds	\$	(1,898,185)
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Amounts reported for governmental activities in the statement
of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay	\$	483,623	
Depreciation Expense		<u>(4,159,861)</u>	(3,676,238)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of repayments reported as expenditures in the governmental funds.	3,550,000
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Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of repayments reported as expenditures in the governmental funds.	514,303
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Accumulated unpaid benefits are recorded as liabilities in the statement of net assets, but are not recorded in the governmental funds statement. The decrease in accumulated unpaid benefits at June 30, 2007 was	54,726
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Interest on long-term debt in the statement of activities includes accrued interest while the governmental funds statement does not. The decrease in accrued interest at June 30, 2007 was	23,667
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Amortization of debt issue premium and other debt issue costs are recorded in the statement of activities over the life of the bonds. This is the amount of the amortization of premium and other debt issue costs for the current year	<u>197,103</u>
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Change in net assets of governmental activities	\$	<u><u>(1,234,624)</u></u>
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See accompanying notes to the basic financial statements.

GRAND BLANC COMMUNITY SCHOOLS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2008

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ <u>1,165,456</u>
Liabilities	
Due to student and other groups	\$ <u>1,165,456</u>

See accompanying notes to the basic financial statements.

GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Grand Blanc Community Schools conform to generally accepted accounting principles as applicable to school districts. The following is a summary of the significant accounting policies:

In June 1999 the Governmental Accounting Standards Board (GASB) issued *Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management's Discussion and Analysis (MD&A) section to provide an analysis of the District's overall financial position and results of operations.
- Financial statements prepared with full accrual accounting for all of the District's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements and notes to the financial statements.

Reporting Entity

The accompanying basic financial statements have been prepared in accordance with criteria established by the GASB for determining the various governmental organizations to be included in the reporting entity. These criteria include oversight responsibility, scope of public service, and special financing arrangements. Based on application of the criteria, the entity does not contain component units.

The District receives funding from local, state, federal and inter-district government sources and must comply with the accompanying requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" body that has separate legal standing and is fiscally independent of the governmental entities. As such, the Board of Education has decision-making authority, the authority to levy taxes, and determine its budget, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Basic Financial Statements – Government-wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). The government-wide financial statements categorize primary activities as either governmental or business type. All of the District's activities are classified as governmental activities. Fiduciary funds are not included in the government-wide financial statements.

In the government-wide Statement of Net Assets, the governmental activities column is presented on a consolidated basis and is reported on a full-accrual economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts: invested in capital assets net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. General government revenues also support the functions. The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary grants. The net costs by function are normally covered by general revenue (property taxes, state and federal sources, interest income, etc.).

The District does not allocate indirect costs. Inter-fund transactions have been eliminated in the government-wide financial statements.

GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Summary of Significant Accounting Policies (continued)

Basic Financial Statements - Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into five generic fund types in a broad fund category as follows:

Governmental Funds

Governmental funds are those funds through which most school district functions typically are financed. The acquisition, use, and balances of the District's expendable financial resources and the related current liabilities are accounted for through governmental funds.

General Fund

The General Fund is used to record the general operations of the District pertaining to education and those operations not provided for in other funds. Included are all transactions related to the approved current operating budget.

Special Revenue Funds - Special Revenue Funds are used to segregate the transactions of particular activities from regular revenue and expenditure accounts. The District maintains full control of these funds. The District maintains three school service funds as described below:

- Cafeteria Fund – used to record the operations of the District's food service operation.
- Athletics Fund – used to record the operations of the District's High School and Middle School athletics program.
- Community Service Fund – used to record the operations of the District's Children's Garden preschool and latchkey program.

Debt Service Funds - The Debt Service Funds are used to record tax and interest revenue and the payment of general long-term debt principal, interest and related cost. The District maintains a common debt service fund for the 2001 and 2004 bond issues.

Capital Projects Funds – The District maintains two capital projects funds: the Sinking Fund and the 2004 Bond Issue Fund. The Capital Projects Funds are used to account for resources for the acquisition or construction of capital facilities or equipment held by the School District and include capital project activities funded with bonds issued after May 1, 2004. For these capital projects, the school district has complied with the applicable provisions of Section 1351a of the Revised School Code.

Fiduciary Funds - Fiduciary Funds are used to account for assets held by the School District in a trustee capacity or as an agent.

Activities (Agency) Funds - Agency Funds are used to account for assets held by the School District as an agent, custodial in nature (assets equal liabilities) and are reported using the economic resources measurement focus.

Basis of Accounting/Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Summary of Significant Accounting Policies (continued)

Accrual

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The availability period used for revenue recognition is 60 days. Expenditures and compensated absences are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt is recognized when due.

Those revenues susceptible to accrual are property taxes, state aid, interest revenue, grants and charges for services. Other revenue is recorded when received.

The District reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the District receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Cash & Investments – Cash and cash equivalents include amounts in demand deposits and certificates of deposit. The District reports its investments in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools and No. 40 Deposits and Investment Risk Disclosures. Under these standards, certain investments are valued at fair value as determined by quoted market prices or by estimated fair values when quoted market prices are not available. The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the district intends to hold the investment until maturity. Accordingly, investments in banker acceptances and commercial paper are recorded at amortized cost.

State statutes authorize the District to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury, certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by no less than two standard rating services and which matures not more than 270 days after the date of purchase. The District is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

Inventories - Items purchased for future use are recorded as inventory and charged to expenditure accounts when requisitioned for use. Cafeteria Fund has recorded commodity inventory at fair market value as determined by the USDA.

Capital Assets - Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. The District has adopted a \$5,000 capitalization threshold for recording capital assets. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets.

GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Summary of Significant Accounting Policies (continued)

Depreciation on all assets is computed on the straight-line basis over the estimated useful lives as follows:

Buildings and additions	20 – 50 years
Buses and other vehicles	5 – 10 years
Furniture and equipment	5 – 20 years

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations - Substantially all of the District's employees work under collective bargaining agreements. All contracts except the teacher contract expire on August 31, 2009. The teacher contract expires on August 31, 2011.

Compensated Absences - Teachers earn sick days at the rate of 11 days per year. Other employees earn sick days depending on the number of months employed and their union contract. Employees, either upon retirement and acceptance into the Michigan School Employee's Retirement System or upon resignation after ten (10) years with the District, shall be compensated at the rate of \$50.00 per day of unused accumulated personal sick leave to a maximum of one hundred (100) days. Total estimated liability for unpaid sick days, including salary-related payments was \$721,811 and \$774,427 at June 30, 2008 and 2007, respectively.

Vacation time earned but not used and payable at June 30, 2008 and 2007, amounted to \$18,580 and \$20,690, respectively.

Prepaid Assets - Payments made to vendors for services that will benefit periods beyond June 30, 2008 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are rendered.

Economic Dependency – The district receives approximately 79% of its operating revenue from the State of Michigan.

Note 2 - Budget and Budgetary Accounting

The State of Michigan adopted a Uniform Budgeting and Accounting Act (Act) applicable to all local governmental entities in the state. The law requires appropriation acts to be adopted for General, Special Revenue, and Debt Retirement Funds and an informational study of Capital Project Funds of school districts prior to the expenditure of monies in a fiscal year. The district amended its General Fund budget three times and its Athletics Fund twice during the year. None of the amendments were significant.

The Board of Education adopts appropriations utilizing the modified accrual basis of accounting for all governmental funds which is in conformity with accounting principles generally accepted in the United States of America. The appropriation level adopted by the Board is the level of control authorized by the act. The Act requires expenditures to be budgeted on a functional basis. A district is not considered to be in violation of the Act if reasonable procedures are in use by the District to detect violations.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The District's superintendent submits to the Board of Education a proposed budget by July 1 of each year. The budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. The superintendent is authorized to transfer budgeted amounts between functions within any fund with the approval of the Budget and Finance Committee; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2008

4. Budgets for the General, Debt Service, Capital Projects, and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles.
5. Budgeted amounts are as originally adopted, or as amended by the Board of Education throughout the year. Individual amendments were not material in relation to the original appropriations, which were amended.
6. Appropriations lapse at year-end and, therefore, cancel all encumbrances. These appropriations are reestablished at the beginning of the following year.

Note 3 - Deposits and Investments

As of June 30, 2008, the District had the following investments.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Standard & Poor's, Moody's Rating</u>	<u>Percentage</u>
Money Market	\$ 3,502,270	0.0027		22.98
Certificates of Deposit	5,735,512	0.1262		37.64
Commercial Paper	5,999,999	0.1492	AAA	39.38
Total Fair Value	\$ <u>15,237,781</u>			<u>100.00</u>

Portfolio weighted average
maturity

0.1492

1 day maturity equals 0.0027, one year equals 1.00.

Interest rate risk In accordance with its investment policy, the District will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements.

Credit risk State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2008, the District's investment in commercial paper was rated AAA by Standards & Poor's and by Moody's Investors Service.

Concentration of credit risk The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The District did not have any investments in U.S. Treasuries at June 30, 2008.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2008, \$11,444,469 of the District's bank balance of \$11,655,966 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Custodial credit risk – investments For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business.

Foreign currency risk The District is not authorized to invest in investments which have this type of risk.

GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2008

Note 3 - Deposits and Investments (continued)

Deposits – Including Fiduciary Funds of \$533,895	\$ 11,655,966
Investments – Including Fiduciary Funds of \$335,512	<u>5,999,999</u>
Total	<u>\$ 17,655,965</u>

The above amounts are reported in the financial statements as follows:

Cash Agency Fund	\$ 1,165,456
Cash – District Wide	8,673,357
Investments – District Wide	<u>5,999,999</u>
Total	<u>\$ 15,838,812</u>

Note 4 – Due from other Governmental Units

The amount due from other governmental units consists of State Aid due to the District from the State of Michigan and various federal grants. The receivable was \$10,658,649 at June 30, 2008.

Note 5 - Property Taxes

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the District's boundaries. Approximately 99% of the District's tax base is within Genesee County.

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due on or before September 15. Collections are forwarded to the District as collected by the assessing municipality. Real property taxes uncollected as of March 1 are purchased by the Counties of Genesee and Oakland and remitted to the District by June 30.

Property taxes are recognized in the accounting period when they become measurable and available to finance operations. Available means when due or past due and receivable within the current period and collected no longer than 60 days after the current period.

Note 6 - Changes in Capital Assets

Summary of capital asset transactions:

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Disposals and Adjustments</u>	<u>Balance June 30, 2008</u>
Assets not depreciated – Land & Improvements	\$ 5,235,962	\$ 7,000	\$ -	\$ 5,242,962
Other Capital Assets:				
Buildings & additions	128,964,021	38,047		129,002,068
Furniture & equipment	6,135,802	132,281	5,497	6,262,586
Buses & other vehicles	<u>5,543,126</u>	<u>338,870</u>	<u>27,078</u>	<u>5,854,918</u>
Subtotal	140,642,949	509,198	32,575	141,119,572
Accumulated Depreciation:				
Buildings & additions	22,128,660	3,138,065		25,266,725
Furniture & equipment	2,577,230	543,261	5,497	3,114,995
Buses & other vehicles	<u>3,239,300</u>	<u>511,109</u>	<u>27,078</u>	<u>3,723,331</u>
Subtotal	<u>27,945,190</u>	<u>4,192,436</u>	<u>32,575</u>	<u>32,105,051</u>
Net other capital assets	<u>112,697,759</u>	<u>(3,683,238)</u>	<u>-</u>	<u>109,014,521</u>
Net capital assets	<u>\$117,933,721</u>	<u>\$(3,676,238)</u>	<u>\$ -</u>	<u>\$114,257,483</u>

GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2008

Note 6 - Changes in Capital Assets (continued)

Depreciation for fiscal year ended June 30, 2008 totaled \$4,159,861.

Depreciation expense was allocated to governmental functions when appropriate. Depreciation expense that was not allocated appears on the statement of activities as "unallocated". Depreciation was recorded on the statement of activities as follows:

<u>Function</u>	<u>Amount</u>
Instruction	\$ 3,443,667
Support Services	695,883
Athletics	20,117
Unallocated	<u>194</u>
Total depreciation expense	<u>\$ 4,159,861</u>

The following schedule illustrates the changes of capital assets by function:

Capital Assets by Function	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Disposals and Adjustments</u>	<u>Balance June 30, 2008</u>
Instruction	\$ 103,857,263	\$ 162,722	\$ 5,497	\$ 104,014,488
Support Services	11,417,478	346,476	27,078	11,736,876
Athletics	1,022,344		-	1,022,344
Unallocated	<u>29,581,826</u>	<u>7,000</u>	<u>-</u>	<u>29,588,826</u>
Subtotal	145,878,911	516,198	32,575	146,362,534
Accumulated Depreciation				
Instruction	10,336,615	3,449,164	5,497	13,780,282
Support Services	3,628,468	722,961	27,078	4,324,351
Athletics	478,993	20,117	-	499,110
Unallocated	<u>13,501,114</u>	<u>194</u>	<u>-</u>	<u>13,501,308</u>
Subtotal	<u>27,945,190</u>	<u>4,192,436</u>	<u>32,575</u>	<u>32,105,051</u>
Net Capital Assets	<u>\$ 117,933,721</u>	<u>\$ (3,676,238)</u>	<u>\$ -</u>	<u>\$ 114,257,483</u>

Note 7 - Long-Term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2008:

	<u>Compensated Absences</u>	<u>Bonds</u>	<u>Installment Loans</u>	<u>Total</u>
Balance July 1, 2007	\$ 795,117	\$ 98,790,000	\$ 914,929	\$ 100,500,046
Additions	18,580			18,580
Retirements & payments	<u>73,306</u>	<u>3,550,000</u>	<u>514,303</u>	<u>4,137,609</u>
Balance June 30, 2008	<u>740,391</u>	<u>95,240,000</u>	<u>400,626</u>	<u>96,381,017</u>
Less: current portion	<u>189,779</u>	<u>4,200,000</u>	<u>196,557</u>	<u>4,586,336</u>
Total due after one year	<u>\$ 550,612</u>	<u>\$ 91,040,000</u>	<u>\$ 204,069</u>	<u>\$ 91,794,681</u>

Installment loans consist of two loans for portable classrooms, one loan for buses and one loan for computer equipment. The original amounts of these loans totaled \$2,301,587 and require annual principal payments plus interest calculated at 2.99% to 4.44%.

GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2008

Note 7 - Long-Term Debt (continued)

The general obligation bonds are payable from the Debt Service Fund and consist of the 2001 and 2004 issues. The \$20,000,000 issue in 2001 was for erecting, equipping and furnishing a new elementary school and additions at several other elementary schools and remodeling at the Brendel campus of the Middle School. The 2004 issue was for the purpose of acquiring a site for a new middle school; erecting equipping and furnishing two new middle schools and related athletic fields, and preparing developing and improving the sites therefore; acquiring, installing and equipping school buildings for technology improvements; remodeling, reequipping and refurbishing the Grand Blanc Middle School main campus building to provide a high school building and preparing, developing and improving the site therefore; erecting, equipping and furnishing a Grand Blanc High School and preparing, developing and improving the site therefore; acquiring sites for a new transportation services building and a new maintenance and grounds building, and preparing developing and improving the sites therefore. As of June 30, 2008, the fund had a balance of \$1,389,251 for use to pay this debt. Future debt and interest calculated at 3.50% to 5.63% will be payable from future tax levies.

Future principal and interest requirements for bonded debt are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 4,200,000	\$ 4,765,113	\$ 8,965,113
2010	2,610,000	4,561,113	7,171,113
2011	2,925,000	4,464,813	7,389,813
2012	3,280,000	4,324,000	7,604,000
2013	3,675,000	4,160,000	7,835,000
2014 – 2018	23,400,000	17,621,250	41,021,250
2019 – 2023	27,650,000	11,044,376	38,694,376
2024 - 2028	<u>27,500,000</u>	<u>4,125,000</u>	<u>31,625,000</u>
Total	<u>\$ 95,240,000</u>	<u>\$ 55,065,665</u>	<u>\$ 150,305,665</u>

Future principal and interest requirements for the installment loans to be paid from General Fund monies are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 196,557	\$ 13,267	\$ 209,824
2010	102,034	6,734	108,768
2011	<u>102,035</u>	<u>2,245</u>	<u>104,280</u>
Total	<u>\$ 400,626</u>	<u>\$ 22,246</u>	<u>\$ 422,872</u>

The payment dates of vacation days payable and compensated absences are indeterminable. These payments are typically paid from the corresponding Fund in which employee salaries are paid.

Gross interest expenditures for 2007-2008, in the General and Debt Service Funds were \$26,612 and \$4,907,113 respectively. The district received premium of \$948,131 on its 2001 bond issue, and \$4,478,493 on its 2004 bond issue, which represents monies received in excess of face value. This premium, net of bond issuance costs, is amortized in the statement of net assets over the life of the bonds on a straight-line basis. Net premium amortization amounted to \$197,103 and is offset against the interest expense on the statement of net assets.

Note 8 – Pension Plan

Plan Description

The District contributes to the statewide Michigan Public School Employees' Retirement System (MPERS), a cost sharing multiple-employer defined benefit pension plan administered by the nine-member board of the MPERS. The MPERS provides retirement benefits and postretirement benefits for health, dental and vision. The MPERS was established by Public Act 136 of 1945 and operated under the provisions of Public Act 300 of 1980, as amended. The MPERS issues a publicly available financial report that includes financial statements and required supplementary information for MPERS. That report may be obtained by writing to Michigan Public School Employees Retirement System, P.O. Box 30171, Lansing, Michigan 48909 or by calling (800) 381-5111.

GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2008

Note 8 – Pension Plan (continued)

Funding Policy

Member Investment Plan (MIP) members enrolled in MIP prior to January 1, 1990 contributes a permanently fixed rate of 3.9% of gross wages. The MIP contribution rate was 4.0% from January 1, 1987, the effective date of the MIP, until January 1, 1990 when it was reduced to 3.9%. Members first hired January 1, 1990 or later and returning members who did not work between January 1, 1987 and December 31, 1989 contribute at the following graduated permanently fixed contribution rates: 3% of the first \$5,000; 3.6% of \$5,001 through \$15,000; 4.3% of all wages over \$15,000.

Basic plan members make no contributions. For a limited period ending December 31, 1992, an active Basic Plan member could enroll in the MIP by paying the contributions that would have been made had enrollment occurred initially on January 1, 1987 or on the date of hire, plus interest. MIP contributions at the rate of 3.9% of gross wages begin at enrollment. Market rate interest is posted to member accounts on July 1st on all MIP monies on deposit for twelve months. If a member leaves MPSERS service and no pension is payable, the member's accumulated contribution plus interest, if any, are refundable.

The District is required to contribute the full actuarial funding contribution amounts to fund pension benefits, plus an additional amount to fund retiree health care benefit amounts on a cash disbursement basis. The rates for the year ended June 30, 2008 were 17.74% of payroll through September 30, 2007 and 16.72% effective October 1, 2007. The contribution requirements of the plan members and the District are established and may be amended by the MPSERS Board of Trustees. The District employer contributions to MPSERS for the years ended June 30, 2008, 2007 and 2006 were \$6,418,080, \$6,489,246, and \$5,466,332, respectively, equal to the required contribution for each year.

The District is not responsible for the payment of retirement benefits. This is the responsibility of the State of Michigan.

Note 9- Post-Employment Benefits Other than Pension Benefits

Under the MPSERS Act, all retirees participating in the MPSERS Pension Plan have the option of continuing health, dental and vision coverage. Retirees who have this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent of the monthly premium amount for the health, dental and vision. Required contributions for post-employment health care benefits are included as part of the District's total contribution to the MPSERS plan discussed above.

Note 10 - Fund Balance

Reserves and Designations

Reservations of fund balance are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures. Specific reservations of the fund balance accounts are summarized below. Reserve for debt service was created to restrict the use of funds to the payment of debt principal and interest.

Reserved for other purposes -

2008-2009 debt service on existing notes	<u>\$ 209,824</u>
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Designations of unreserved fund balances are created to indicate tentative plans for the use of current financial resources in the future. Specific designations of the fund balances are summarized below:

Designated for other purposes –

A portion of the total sick pay, which is estimated at June 30, 2008 to be \$721,811 and will be owed by the Grand Blanc School District to employees who meet either of the following two conditions: (1) upon retirement and acceptance into the Michigan School Employees Retirement System, or (2) upon resignation after ten (10) years with the School District.	\$ 171,199
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GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2008

Contingencies	303,200
Cost of compliance with ADA requirements	160,000
Liability Insurance Deductible	<u>25,000</u>
	\$ <u>659,399</u>

Note 11 - Contingencies and Commitments

The District has received federal and state grants for specific purposes. These grants are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants, management believes that any required reimbursements would not be material.

Note 12 – Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) as well as medical benefits provided to employees. The District participates in SET-SEG (risk pool) for claims related to general liability, umbrella, auto and workers compensation and Great American Insurance Company for errors and omissions. The shared-risk pool program in which the District participates operates as a common risk-sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts. The amount of claim settlements has not exceeded insurance coverage in any of the past three years. Premiums for the year ended June 30, 2008 totaled, \$465,012.

The District self-insures it's dental and vision programs. Annual maximum payments vary by group and are summarized in the following tables:

Dental:

<u>Group</u>		<u>#</u> <u>Participants</u>	<u>Annual</u> <u>Maximum</u>	<u>Orthodontics</u> <u>Rider</u>
Teachers Maintenance Foremen, Administrators		458	\$ 1,500	\$ 1,500
Maintenance staff		30	1,200	750
Clerical staff		22	600	0
Transportation staff		40	1200	0

Vision:

<u>Group</u>	<u>#</u> <u>Participants</u>	<u>Lenses</u>						
		<u>Exam</u>	<u>Single</u>	<u>Bi-Focal</u>	<u>Tri-focal</u>	<u>Lenticular</u>	<u>Frames</u>	<u>Contacts</u>
Administrators	22	\$50	\$120	\$140	\$180	\$200	\$65	\$200
Clerical without Health Insurance	0	32	84	96	120	144	18	200
Clerical with Health Insurance	7	16	42	48	60	72	9	100
Transportation	35	16	21	24	30	0	9	50

Funds on deposit to cover incurred claims totaled \$81,750 at June 30, 2008. Management believes that funds on deposit are more than sufficient to cover claims incurred but not reported, of which amounts are not material.

Note 13 - Sinking Funds

The Capital Project Fund records capital project activities funded with Sinking Fund millage. For this fund, the School District has complied with the applicable provisions of Section 1212(1) of the Revised School Code and the applicable section of the Revised Bulletin for School District Audits of Bonded Construction Funds and of Sinking Funds in Michigan. Voters in the school district authorized 1 mill on May 3, 2005 that expires in June of 2009.

GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2008

Note 14 – Interfund Transfers

The District made the following interfund transfers during the year:

	<u>General</u> <u>Fund</u>	<u>School Service</u> <u>Funds</u>
To:		\$699,105
From:	\$699,105	

The transfers were for the purpose of funding student athletic activities provided by the District.

Note 15 – Operating Leases

The District leases equipment under certain non-cancelable operating leases as summarized below:

- Copier equipment lease dated June 30, 2005 for a term of 60 months. The total cost of the lease is \$82,559
- Copier equipment lease dated June 30, 2005 for a term of 60 months. The total cost of the lease is \$114,995.
- Copier equipment lease dated June 30, 2005 for a term of 72 months. The total cost of the lease is \$440,692.
- Copier equipment lease dated June 31, 2005 for a term of 72 months. The total cost of the lease is \$264,744.

The future minimum lease payments are as follows:

Year ended June 30,	Payment Amount
2009	\$ 157,083
2010	157,083
2011	<u>117,573</u>
Total	<u>\$ 431,739</u>

Total rent expense for the fiscal year ended June 30, 2008 totaled \$157,083.

Note 16 – Prior Period Adjustments

The Capital Projects fund balance and governmental activities net assets were restated by \$776,217 as of June 30, 2008 to properly reflect prior period capital expenditures. Certain prior year amounts have been reclassified to conform to the current year presentation.

REQUIRED SUPPLEMENTARY INFORMATION

GRAND BLANC COMMUNITY SCHOOLS
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Local sources	\$ 13,168,869	\$ 13,091,783	\$ 12,803,561	\$ (288,222)
Interdistrict sources	493,884	521,119	545,801	24,682
State sources	52,715,115	55,378,853	55,221,066	(157,787)
Federal sources	1,664,672	1,803,753	1,690,372	(113,381)
Total revenues	68,042,540	70,795,508	70,260,800	(534,708)
Expenditures				
Education				
Instruction				
Basic programs	33,618,761	33,263,633	32,908,561	355,072
Added needs	7,741,159	7,681,057	7,523,314	157,743
Supporting services				
Pupil services	3,376,065	3,628,426	3,526,078	102,348
Instructional staff	3,205,932	3,390,990	2,897,678	493,312
General administration	908,642	777,630	716,608	61,022
School Administration	4,073,485	4,100,517	4,165,864	(65,347)
Business services	1,159,725	1,160,523	821,253	339,270
Operation and maintenance	9,235,011	9,511,263	9,765,040	(253,777)
Transportation	3,389,634	3,474,520	3,438,627	35,893
Central services	2,294,823	2,683,326	2,382,788	300,538
Community services	532,908	590,098	457,006	133,092
Total expenditures	69,536,145	70,261,983	68,602,817	1,659,166
Excess (deficiency) of revenues over (under) expenditures	(1,493,605)	533,525	1,657,983	1,124,458
Other financing sources	566,000	-	-	-
Other financing uses	1,587,276	1,509,502	1,541,196	(31,694)
Excess (deficiency) of other financing sources over (under) other financing uses	(1,021,276)	(1,509,502)	(1,541,196)	(31,694)
Net changes in fund balance	(2,514,881)	(975,977)	116,787	1,092,764
Fund balance - July 1	16,384,044	16,384,044	16,384,044	-
Fund balance - June 30	\$ 13,869,163	\$ 15,408,067	\$ 16,500,831	\$ 1,092,764

OTHER SUPPLEMENTAL INFORMATION

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	Special Revenue Funds			Debt Service Fund	Non-major Governmental Funds Total
	School Lunch Fund	Athletics Fund	Community Service Fund		
Assets					
Cash and investments	\$ 1,132,029	\$ 4,119	\$ 187,046	\$ 1,389,251	\$ 2,712,445
Accounts receivable	63,097	-			63,097
Prepaid expenses	112,101		1,218		113,319
Inventory	26,751				26,751
Total assets	<u>\$ 1,333,978</u>	<u>\$ 4,119</u>	<u>\$ 188,264</u>	<u>\$ 1,389,251</u>	<u>\$ 2,915,612</u>
Liabilities					
Accounts payable	\$ 89,613	\$ 4,119	\$ 14,279	\$	\$ 108,011
Deferred revenue	27,087		27,600		54,687
Total liabilities	116,700	4,119	41,879	-	162,698
Fund balances					
Reserved for debt service				1,389,251	1,389,251
Undesignated, Reported in school service fund	1,217,278	-	146,385		1,363,663
Total liabilities and fund balance	<u>\$ 1,333,978</u>	<u>\$ 4,119</u>	<u>\$ 188,264</u>	<u>\$ 1,389,251</u>	<u>\$ 2,915,612</u>

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008

	Special Revenue Funds			Debt Service Fund	Non-major Governmental Funds Total
	School Lunch Fund	Athletics Fund	Community Service Fund		
Revenues					
Revenues from local sources					
Food sales	\$ 2,032,308	\$	\$	\$	\$ 2,032,308
Athletics admissions		167,399			167,399
Property Taxes				8,268,042	8,268,042
Other local sources	9,131		989,447	265,345	1,263,923
State aid	166,296				166,296
Federal aid	961,667				961,667
Total Revenues	3,169,402	167,399	989,447	8,533,387	12,859,635
Other financing sources					
Operating transfers		699,105			699,105
Total revenue and other financing sources	3,169,402	866,504	989,447	8,533,387	13,558,740
Expenditures					
School service funds:					
Salaries	722,706	469,759	735,462		1,927,927
Employee benefits	250,640	130,916	186,922		568,478
Purchased services	286,843	63,391	6,078		356,312
Supplies and materials	1,525,339	20,773	32,790		1,578,902
Capital Outlay	73,426	-	43,537		116,963
Other	2,601	181,665	2,396		186,662
Debt retirement fund:					
Principal				3,550,000	3,550,000
Interest and fiscal charges				4,907,603	4,907,603
Total expenditures	2,861,555	866,504	1,007,185	8,457,603	13,192,847
Excess (deficiency) of revenues and other financing sources over expenditures	307,847	-	(17,738)	75,784	365,893
Fund balance - July 1	909,431	-	164,123	1,313,467	2,387,021
Fund balance - June 30	\$ 1,217,278	\$ -	\$ 146,385	\$ 1,389,251	\$ 2,752,914

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2008

	Sinking Fund	2004 Bond Issue	Total
Revenues			
Property tax levy	\$ 1,875,897	\$	\$ 1,875,897
Earnings on investments	30,764	23,391	54,155
Other local revenues	12,177		12,177
	<u>1,918,838</u>	<u>23,391</u>	<u>1,942,229</u>
Total revenues			
Expenditures			
Remodeling and improvements	2,534,122		2,534,122
Buildings & Additions	-	1,692,434	1,692,434
Furniture & Equipment	44,714	51,824	96,538
	<u>2,578,836</u>	<u>1,744,258</u>	<u>4,323,094</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	(659,998)	(1,720,867)	(2,380,865)
Fund balance July 1	993,197	1,720,933	2,714,130
Fund balance June 30	<u>\$ 333,199</u>	<u>\$ 66</u>	<u>\$ 333,265</u>

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007

		Totals
	June 30, 2008	June 30, 2007
Local sources		
Property tax levy	\$ 11,183,243	\$ 10,558,750
Earnings on investments	598,873	811,091
Tuition from patrons	98,245	125,733
Rentals	128,617	67,077
Contributions and grants	167,302	162,674
Interest on delinquent taxes	65,013	80,053
Medicaid	138,386	101,504
Other	423,882	535,407
Total revenues from local sources	12,803,561	12,442,289
State sources		
Grants - unrestricted		
State school aid	51,981,796	50,114,906
Grants - restricted		
Special education	1,950,311	1,939,455
At risk	879,081	647,807
Vocational education	128,939	115,509
Early childhood education	66,725	105,600
Other	214,214	171,800
Total revenues from state sources	55,221,066	53,095,077
Federal sources		
Grants - restricted		
Special education - I.D.E.A.\flowthru	1,009,183	1,096,491
Title I	209,438	215,179
Medicaid outreach	38,617	32,108
Vocational education	51,017	49,421
Title II	180,687	113,678
Preschool incentive	30,385	23,580
Title V	1,773	1,619
Other	169,272	57,294
Total revenues from federal sources	1,690,372	1,589,370
Interdistrict sources		
County special education tax	545,801	518,186
Total revenues and other sources	\$ 70,260,800	\$ 67,644,922

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007

	Salaries & Benefits	Purchased Services	Supplies & Materials	Other Expenses	Totals June 30, 2008	June 30, 2007
Instruction						
Basic Programs						
Elementary	\$ 10,392,371	\$ 163,421	\$ 229,572	\$ 11,356	\$ 10,796,720	\$ 10,367,982
Middle school	5,129,237	76,034	118,980	5,064	5,329,315	5,460,411
High school	5,770,091	192,948	177,149	32,954	6,173,142	5,919,542
Other basic programs	158,024	2,101	6,246	787	167,158	188,203
Employee benefits	10,433,497				10,433,497	10,188,771
Added needs						
Special education	3,327,906	168,268	125,051	8,287	3,629,512	3,575,028
Vocational education	535,745	43,125	190,338	1,163	770,371	744,128
Other added needs	858,950	59,580	32,372	-	950,902	927,066
Employee benefits	2,158,902				2,158,902	2,227,721
Total instruction	38,764,723	705,477	879,708	59,611	40,409,519	39,598,852
Supporting services						
Pupil services						
Guidance services	1,016,801	79,247	40,636	150	1,136,834	1,041,433
Health services	1,525	60,512	782	-	62,819	44,696
Psychological services	140,746	1,120	-	-	141,866	134,957
Speech pathology audiology	352,939	583	791	-	354,313	335,439
Social work services	307,456	4,361	-	-	311,817	293,467
Other pupil services	78,154	519,366	-	-	597,520	574,308
Employee benefits	920,907				920,907	811,719
Instructional staff						
Improvement of instruction	459,411	150,066	627,239	8,168	1,244,884	1,520,857
Media-printed material	490,857	29,605	137,334	92	657,888	849,737
Media -audiovisual	-	460	17,167	-	17,627	18,420
Supervision direction - Inst. Staff	405,921	516	-	1,301	407,738	287,925
Employee benefits	552,905				552,905	631,783
General administration						
Board of education	4,000	321,133	-	20,072	345,205	339,336
Executive administration	262,814	4,170	7,927	12,620	287,531	339,503
Employee benefits	83,872				83,872	97,986
School administration						
Office of the principal	2,271,437	359,022	88,379	647	2,719,485	2,593,213
Other school administration	256,734	501	-	14,045	271,280	228,654
Employee benefits	1,175,099				1,175,099	1,194,185
Business services						
Fiscal services	292,554	118,465	29,609	15,687	456,315	961,662
Employee benefits	131,066				131,066	157,000
Operations & maintenance						
Operation & maintenance of plant	1,856,409	3,189,380	2,877,236	562	7,923,587	7,440,547
Security services	-	50,053	-	-	50,053	35,000
Employee benefits	1,025,016				1,025,016	1,056,081

(continued)

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007

	Salaries & Benefits	Purchased Services	Supplies & Materials	Other Expenses	Totals June 30, 2008	June 30, 2007
Supporting services (continued)						
Pupil transportation						
Pupil transportation services	1,362,937	505,716	712,375	1,451	2,582,479	2,300,675
Employee benefits	573,444				573,444	572,139
Central services						
Communication services	89,414	143,741	8,243	377	241,775	251,042
Staff services	247,624	39,714	3,371	3,045	293,754	325,775
Support services technology	233,155	286,550	56,466	383	576,554	454,684
Other central services	-	112,795	-	-	112,795	29,991
Employee benefits	264,715				264,715	231,573
Total support services	14,857,912	5,977,076	4,607,555	78,600	25,521,143	25,153,787
Community services						
Community services direction	201,893	90,342	14,217	12,844	319,296	325,969
Other community services	45,046	7,609	4,974	50	57,679	28,092
Employee benefits	80,031				80,031	67,129
Total community services	326,970	97,951	19,191	12,894	457,006	421,190
Capital outlay						
Basic instruction				8,729	8,729	16,800
Added needs				13,628	13,628	44,584
Supporting services				2,192,792	2,192,792	2,608,975
Total capital outlay	-	-	-	2,215,149	2,215,149	2,670,359
Total expenditures	53,949,605	6,780,504	5,506,454	2,366,254	68,602,817	67,844,188
Other financing uses						
Installment loan payments				540,983	540,983	620,465
Interfund transfers				699,105	699,105	646,807
Fiscal agent disbursements				1,475	1,475	-
Building & construction services				299,633	299,633	296,832
Total other financing uses	-	-	-	1,541,196	1,541,196	1,564,104
Total expenditures and other financing uses	\$ 53,949,605	\$ 6,780,504	\$ 5,506,454	\$ 3,907,450	\$ 70,144,013	\$ 69,408,292

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
Assets				
Cash and cash equivalents	\$ <u>960,299</u>	\$ <u>2,419,973</u>	\$ <u>2,214,816</u>	\$ <u>1,165,456</u>
Liabilities				
Due to student and other groups	\$ <u>960,299</u>	\$ <u>2,419,973</u>	\$ <u>2,214,816</u>	\$ <u>1,165,456</u>

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE - DEBT RETIREMENT FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Revenues from local sources				
Property Taxes	\$ 8,405,345	\$ 8,415,345	\$ 8,268,042	\$ (147,303)
Other local sources	<u>217,833</u>	<u>207,833</u>	<u>265,345</u>	<u>57,512</u>
Total Revenues	8,623,178	8,623,178	8,533,387	(89,791)
Expenditures				
Principal	3,550,000	3,550,000	3,550,000	-
Interest and fiscal charges	<u>4,908,013</u>	<u>4,908,013</u>	<u>4,907,603</u>	<u>410</u>
Total expenditures	<u>8,458,013</u>	<u>8,458,013</u>	<u>8,457,603</u>	<u>410</u>
Excess (deficiency) of revenues over expenditures	165,165	165,165	75,784	(89,381)
Fund balance - July 1	<u>1,313,467</u>	<u>1,313,467</u>	<u>1,313,467</u>	<u>-</u>
Fund balance - June 30	<u><u>\$ 1,478,632</u></u>	<u><u>\$ 1,478,632</u></u>	<u><u>\$ 1,389,251</u></u>	<u><u>\$ (89,381)</u></u>

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
BUGETARY COMPARISON SCHEDULE - SCHOOL LUNCH FUND
YEAR ENDED JUNE 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Revenues from local sources				
Food sales	\$ 2,097,794	\$ 2,097,794	\$ 2,032,308	\$ (65,486)
Other local sources	9,500	9,500	9,131	(369)
State aid	119,882	129,374	166,296	36,922
Federal aid	545,256	545,256	961,667	416,411
Total Revenues	2,772,432	2,781,924	3,169,402	387,478
Expenditures				
School service funds:				
Salaries	746,243	746,243	722,706	23,537
Employee benefits	273,315	273,315	250,640	22,675
Purchased services	292,352	292,352	286,843	5,509
Supplies and materials	1,240,352	1,240,352	1,525,339	(284,987)
Capital Outlay	60,000	60,000	73,426	(13,426)
Other	4,096	4,096	2,601	1,495
Total expenditures	2,616,358	2,616,358	2,861,555	(245,197)
Excess (deficiency) of revenues and other financing sources over expenditures	156,074	165,566	307,847	142,281
Fund balance - July 1	909,431	909,431	909,431	-
Fund balance - June 30	\$ 1,065,505	\$ 1,074,997	\$ 1,217,278	\$ 142,281

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
BUGETARY COMPARISON SCHEDULE - ATHLETICS FUND
YEAR ENDED JUNE 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Revenues from local sources				
Athletics admissions	\$ 275,246	\$ 176,705	\$ 167,399	\$ (9,306)
Total Revenues	275,246	176,705	167,399	(9,306)
Other financing sources				
Operating transfers	656,805	755,346	699,105	(56,241)
Total revenue and other financing sources	932,051	932,051	866,504	(65,547)
Expenditures				
School service funds:				
Salaries	461,185	468,942	469,759	(817)
Employee benefits	129,012	130,879	130,916	(37)
Purchased services	65,909	64,305	63,391	914
Supplies and materials	32,627	32,627	20,773	11,854
Capital Outlay	-	-	-	-
Other	243,318	235,298	181,665	53,633
Total expenditures	932,051	932,051	866,504	65,547
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	-	-
Fund balance - July 1	-	-	-	-
Fund balance - June 30	\$ -	\$ -	\$ -	\$ -

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
BUGETARY COMPARISON SCHEDULE - SCHOOL SERVICE FUND
YEAR ENDED JUNE 30, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Revenues from local sources				
Tuition	\$ 922,000	\$ 922,000	\$ 989,447	\$ 67,447
Total Revenues	922,000	922,000	989,447	67,447
Expenditures				
School service funds:				
Salaries	694,090	694,090	735,462	(41,372)
Employee benefits	195,866	195,866	186,922	8,944
Purchased services	10,100	10,100	6,078	4,022
Supplies and materials	60,789	60,789	32,790	27,999
Capital Outlay	50,000	50,000	43,537	6,463
Other	8,500	8,500	2,396	6,104
Total expenditures	1,019,345	1,019,345	1,007,185	12,160
Excess (deficiency) of revenues and other financing sources over expenditures	(97,345)	(97,345)	(17,738)	79,607
Fund balance - July 1	164,123	164,123	164,123	-
Fund balance - June 30	\$ 66,778	\$ 66,778	\$ 146,385	\$ 79,607

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
DETAIL SCHEDULE OF BONDED INDEBTEDNESS
JUNE 30, 2008

	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Final Maturity</u>	<u>Amount of Annual Maturity</u>	<u>Fiscal Year Interest Requirements</u>	<u>Total</u>
Debt Retirement Fund							
2001 Building & Site Bonds	11/29/01	\$ 20,000,000					
				11/1/08		\$ 295,806	\$ 295,806
			4.00%	5/1/09	\$ 600,000	295,806	895,806
				11/1/09		283,806	283,806
			4.25%	5/1/10	660,000	283,806	943,806
				11/1/10		269,781	269,781
			4.25%	5/1/11	725,000	269,781	994,781
				11/1/11		254,375	254,375
			5.00%	5/1/12	1,000,000	254,375	1,254,375
				11/1/12		229,375	229,375
			5.50%	5/1/13	1,000,000	229,375	1,229,375
				11/1/13		201,875	201,875
			5.50%	5/1/14	1,000,000	201,875	1,201,875
				11/1/14		174,375	174,375
			5.63%	5/1/15	1,000,000	174,375	1,174,375
				11/1/15		146,250	146,250
			5.63%	5/1/16	1,000,000	146,250	1,146,250
				11/1/16		118,125	118,125
			5.63%	5/1/17	1,000,000	118,125	1,118,125
				11/1/17		90,000	90,000
			5.63%	5/1/18	1,000,000	90,000	1,090,000
				11/1/18		61,875	61,875
			5.63%	5/1/19	1,100,000	61,875	1,161,875
				11/1/19		30,938	30,938
			5.63%	5/1/20	1,100,000	30,938	1,130,938
					<u>\$ 11,185,000</u>	<u>4,313,162</u>	<u>\$ 15,498,162</u>

For the purpose of erecting, equipping and furnishing a new elementary school, classroom additions at Indian Hill Elementary School, and gymnasiums and multi-purpose rooms at Indian Hill and Reid Elementary Schools; remodeling, reequipping and refurnishing Cook Elementary School to provide a K-2 facility; erecting, remodeling, equipping and furnishing cafeteria, media center and music facilities at the Brendel campus of Grand Blanc Middle School; upgrading electrical service in school buildings; acquiring, installing, and equipping school buildings for technology improvements and purchasing school buses.

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
DETAIL SCHEDULE OF BONDED INDEBTEDNESS
JUNE 30, 2008

		Date of Issue	Amount of Issue	Interest Rate	Date of Final Maturity	Amount of Annual Maturity	Fiscal Year Interest Requirements	Total
Debt Retirement Fund								
2004	Building & Site Bonds	5/4/04	\$ 90,105,000					
					11/1/08		\$ 2,086,750	\$ 2,086,750
				5.00%	5/1/09	\$ 3,600,000	2,086,750	5,686,750
					11/1/09		1,996,750	1,996,750
				3.50%	5/1/10	1,950,000	1,996,750	3,946,750
					11/1/10		1,962,625	1,962,625
				5.00%	5/1/11	2,200,000	1,962,625	4,162,625
					11/1/11		1,907,625	1,907,625
				5.00%	5/1/12	2,280,000	1,907,625	4,187,625
					11/1/12		1,850,625	1,850,625
				5.00%	5/1/13	2,675,000	1,850,625	4,525,625
					11/1/13		1,783,750	1,783,750
				5.00%	5/1/14	3,000,000	1,783,750	4,783,750
					11/1/14		1,708,750	1,708,750
				5.00%	5/1/15	3,300,000	1,708,750	5,008,750
					11/1/15		1,626,250	1,626,250
				5.00%	5/1/16	3,750,000	1,626,250	5,376,250
					11/1/16		1,532,500	1,532,500
				5.00%	5/1/17	4,150,000	1,532,500	5,682,500
					11/1/17		1,428,750	1,428,750
				5.00%	5/1/18	4,200,000	1,428,750	5,628,750
					11/1/18		1,323,750	1,323,750
				5.00%	5/1/19	4,225,000	1,323,750	5,548,750
					11/1/19		1,218,125	1,218,125
				5.00%	5/1/20	4,725,000	1,218,125	5,943,125
					11/1/20		1,100,000	1,100,000
				5.00%	5/1/21	5,500,000	1,100,000	6,600,000
					11/1/21		962,500	962,500
				5.00%	5/1/22	5,500,000	962,500	6,462,500
					11/1/22		825,000	825,000
				5.00%	5/1/23	5,500,000	825,000	6,325,000
					11/1/23		687,500	687,500
				5.00%	5/1/24	5,500,000	687,500	6,187,500
					11/1/24		550,000	550,000
				5.00%	5/1/25	5,500,000	550,000	6,050,000
					11/1/25		412,500	412,500
				5.00%	5/1/26	5,500,000	412,500	5,912,500
					11/1/26		275,000	275,000
				5.00%	5/1/27	5,500,000	275,000	5,775,000
					11/1/27		137,500	137,500
				5.00%	5/1/28	5,500,000	137,500	5,637,500
						<u>\$ 84,055,000</u>	<u>50,752,500</u>	<u>\$ 134,807,500</u>

For the purpose of acquiring a site for a new middle school; erecting equipping and furnishing two new middle schools and related athletic fields, and preparing developing and improving the sites therefore; acquiring, installing and equipping school buildings for technology improvements; remodeling, reequipping and refurbishing the Grand Blanc Middle School main campus building to provide a high school building and preparing, developing and improving the site therefore; erecting, equipping and furnishing Grand Blanc High School and preparing, developing and improving the site therefore; acquiring sites for a new transportation services building and a new maintenance and grounds building and erecting, equipping and furnishing a new transportation services building and a new maintenance and grounds building, and preparing, developing and improving the sites therefore.

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
INSTALLMENT LOAN CONTRACTS
JUNE 30, 2008

Amount: \$ 988,890

Date Issued: July 26, 2005 Purpose: For the purchase of computer equipment.

<u>Due Date</u>	<u>Annual Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
7/1/08	3.25%	\$ <u>28,789</u>	\$ <u>78</u>	\$ <u>28,867</u>

Amount: \$ 394,389

Date Issued: October 7, 2002

Purpose: For the purchase of school buses.

<u>Due Date</u>	<u>Annual Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
9/30/08	2.99%	\$ <u>65,734</u>	\$ <u>1,966</u>	\$ <u>67,700</u>

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
INSTALLMENT LOAN CONTRACTS
JUNE 30, 2008

Amount: \$ 582,158

Date Issued: March 1, 2002

Purpose: Refinance installment loan dated September 19, 2000 for the purchase of portable classrooms.

Due Date	Annual Interest Rate	Principal	Interest	Total
9/1/08	4.44%	\$ 64,684	\$ 4,269	\$ 68,953
3/1/09			2,846	2,846
9/1/09		64,684	2,846	67,530
3/1/10			1,423	1,423
9/1/10		64,685	1,423	66,108
		<u>\$ 194,053</u>	<u>\$ 12,807</u>	<u>\$ 206,860</u>

Amount: \$ 336,150

Date Issued: March 1, 2002

Purpose: Refinance installment loan dated September 19, 2000 for the purchase of portable classroom improvements.

Due Date	Annual Interest Rate	Principal	Interest	Total
9/1/08	4.44%	\$ 37,350	\$ 2,465	\$ 39,815
3/1/09			1,643	1,643
9/1/09		37,350	1,643	38,993
3/1/10			822	822
9/1/10		37,350	822	38,172
		<u>\$ 112,050</u>	<u>\$ 7,395</u>	<u>\$ 119,445</u>



October 29, 2008

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Education of
Grand Blanc Community Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Blanc Community Schools, as of and for the year ended June 30, 2008, which collectively comprise the Grand Blanc Community Schools' basic financial statements and have issued our report thereon dated October 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Grand Blanc Community Schools' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Grand Blanc Community Schools' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Grand Blanc Community Schools' internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Grand Blanc Community Schools' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Grand Blanc Community Schools' financial statements that is more than inconsequential will not be prevented or detected by the Grand Blanc Community Schools' internal control.

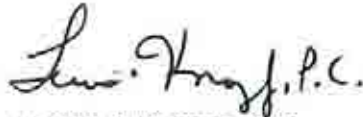
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Grand Blanc Community Schools' internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grand Blanc Community Schools' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the finance committee, Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Lewis & Knopf, P.C.", is positioned above the printed name of the firm.

LEWIS & KNOFF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS



October 29, 2008

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

To the Board of Education of
Grand Blanc Community Schools

Compliance

We have audited the compliance of Grand Blanc Community Schools with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Grand Blanc Community Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Grand Blanc Community Schools' management. Our responsibility is to express an opinion on Grand Blanc Community Schools' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Grand Blanc Community Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Grand Blanc Community Schools' compliance with those requirements.

In our opinion, Grand Blanc Community Schools complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Grand Blanc Community Schools is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Grand Blanc Community Schools' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Grand Blanc Community Schools' internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

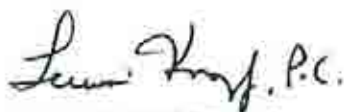
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Blanc Community Schools, as of and for the year ended June 30, 2008, and have issued our report thereon dated October 29, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Grand Blanc Community Schools' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the finance committee, management, Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



LEWIS & KNOPF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

GRAND BLANC COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass Through Grantor's Number	Award Grant/ Entitlement Program Amount	Inventory/ Accrued (Deferred) Revenue at July 1, 2007	Prior Year Expenditures	Current Year Cash Payments/ In Kind Received	Current Year Expenditures	Inventory Accrued (Deferred) Revenue at June 30, 2008
<u>US Dept of Agriculture</u> <u>Passed through Mich Dept of Ed</u>								
Food Distribution	10.550							
Entitlement Commodities		N/A	\$ 156,373	\$ -	\$ -	\$ 149,097	\$ 149,097	-
Bonus Commodities		N/A	489			489	489	-
Total Food Distribution			156,862	-	-	149,586	149,586	-
National School Breakfast Program	10.553	N/A	112,946	-	-	107,309	112,946	5,637
National School Lunch Program	10.555	N/A	663,144	-	-	633,850	663,144	29,294
Special Milk	10.556	N/A	1,715	-	-	1,627	1,715	88
Total Nutrition Cluster			777,805	-	-	742,786	777,805	35,019
Total Department of Agriculture			934,667	-	-	892,372	927,391	35,019
<u>US Department of Education</u> <u>Passed through Mich Dept of Ed</u>								
Title I - Educationally Deprived	84.010	071530/0607 081530/0708	221,713 248,059	71,062	215,179	71,062 134,965	- 209,438	- 74,473
Drug Free Schls & Communities	84.186	072860/0607 072860/0708 082860/0708	19,792 2,092 21,181	6,153	17,700	6,153 2,092 7,582	- 2,092 14,961	- - 7,379
Title V	84.298	080250/0708	1,773			-	1,773	1,773
Technology Literacy Challenge	84.318	084290/0708	2,270			1,019	2,270	1,251
Improving Teacher Quality	84.367	070520/0607 080520/0708	170,449 229,209	43,722	113,678	43,722 102,791	- 180,687	- 77,896
Total Passed through Mich Dept of Ed			916,538	120,937	346,557	369,386	411,221	162,772
<u>Passed through GISD</u>								
Special Education - Grants to States	84.027	070450-0607 080450-0708	939,684 1,009,183	195,612	939,684	195,612 678,519	- 1,009,183	- 330,664
Total Special Education - Grants to States			1,948,867	195,612	939,684	874,131	1,009,183	330,664
Perkins Regional Allocation	84.048	053520-8012-15	51,017			51,017	51,017	-
Preschool Grants	84.173	070460-0607 080460-0708	23,580 30,385	3,556	23,580	3,556 20,953	- 30,385	- 9,432
Infant and Toddler	84.181	071340-190 081340-190	12,221 63,576	5,817	12,221	5,817 44,719	- 71,985	- 27,266
Integrated Nutrition Education	10.561	61-5003M	62,884			40,271	42,485	2,214
Total Passed Through GISD			2,192,530	204,985	975,485	1,040,464	1,205,055	369,576
Total Dept of Education			3,109,068	325,922	1,322,042	1,409,850	1,616,276	532,348

(Continued)

GRAND BLANC COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass Through Grantor's Number	Award Grant/ Entitlement Program Amount	Inventory/ Accrued (Deferred) Revenue at July 1, 2007	Prior Year Expenditures	Current Year Cash Payments/ In Kind Received	Current Year Expenditures	Inventory Accrued (Deferred) Revenue at June 30, 2008
<u>US Department of Labor</u>								
<u>Passed through GISD</u>								
English Language Acquisition	84.365a	080580-0708	\$ 10,979	\$ -	\$ -	\$ -	\$ 10,979	\$ 10,979
Total Passed Through GISD			10,979	-	-	-	10,979	10,979
<u>US Dept of Health & Human Services</u>								
Learn & Serve	94.004	MCSC/SBLS/I-140/07 MSBF-08-25173	8,000 24,500	8,000	8,000	8,000 6,370	- 24,500	- 18,130
<u>Passed through Genesee County</u>								
Headstart Breakfast Program	93.600	N/A	34,276	-	-	29,332	34,276	4,944
Total Passed through Genesee County			34,276	-	-	29,332	34,276	4,944
<u>Passed through GISD</u>								
Medicaid Outreach	93.778	N/A	38,617			38,617	38,617	-
Total Dept of Health & Human Services			116,372	8,000	8,000	82,319	108,372	34,053
Total Federal Awards			\$ 4,160,107	\$ 333,922	\$ 1,330,042	\$ 2,384,541	\$ 2,652,039	\$ 601,420

(concluded)

GRAND BLANC COMMUNITY SCHOOLS - GRAND BLANC, MICHIGAN
NOTES/RECONCILIATION TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

FEDERAL REVENUE RECOGNIZED FOR SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	<u>\$2,652,039</u>
FEDERAL REVENUE RECOGNIZED PER THE GENERAL PURPOSE FINANCIAL STATEMENTS	
General Fund	\$1,690,372
School Service Fund	<u>\$961,667</u>
TOTAL	<u>\$2,652,039</u>

- 1) The Schedule of Expenditures of Federal Awards had been prepared under the modified accrual basis of accounting.
- 2) Management has utilized the Grants Section Auditors Report (Form R7120) and the Cash Management System Report (CMS) in preparing the Schedule of Expenditures of Federal Awards. All differences between the Schedule of Expenditures of Federal Awards and the Form R7120 have been reconciled in the attached reconciliation on page 62 of this report.
- 3) As of the date of completion of fieldwork, the Schedule of Transfers to Sub-Recipients from the Intermediate School Districts was not available. The amounts shown on the Schedule of Federal Financial Assistance as flow through from the Intermediate School Districts may not be conclusive.

GRAND BLANC COMMUNITY SCHOOLS - GRAND BLANC, MICHIGAN
RECONCILIATION OF FORM R 7120 " GRANT SECTION AUDITOR'S REPORT" & CASH MANAGEMENT SYSTEM
TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

Current Payments Per:

Grant Section Auditors Report (Form R7120)	\$ 742,786
Cash Management System	369,386

<u>Add:</u> Grants Passed Through the Genesee Intermediate School District	1,079,081
Grants Passed Through Genesee County	29,332
Grants Passed Through Department of Health & Human Services	14,370
Entitlement and Bonus Commodities (CFDA 10.550)	<u>149,586</u>

TOTAL CURRENT YEAR RECEIPTS PER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	<u>\$ 2,384,541</u>
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GRAND BLANC COMMUNITY SCHOOLS - GRAND BLANC, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

Section 1 - Summary of Auditors' Results

Type of auditors report issued: Unqualified

	<u>Yes</u>	<u>No</u>
Internal control over financial reporting		
Is a "going concern" explanatory paragraph included in the audit report?		X
Is a significant deficiency disclosed?		X
Is any significant deficiency reported as a material weakness?		X
Is a material noncompliance disclosed?		X

Federal Awards

Dollar threshold used to distinguish type A and type B programs:	\$300,000		
Did the auditee qualify as a low-risk auditee?		X	
Is a significant deficiency disclosed for any major program?			X
Is any significant deficiency reported for any major program as a material weakness?			X

Type of auditors report issued on compliance for major programs: Unqualified

Audit findings required to be reported in accordance with sections 510(a) Circular 133? X

Identification of major programs:

<u>CFDA No.</u>	<u>Name of federal program</u>
84.027/84.173	Special Education Cluster
84.367	Title II Part A: Improving Teacher Quality

Current Year Findings and Questioned Costs

There were no current year findings.

PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS

Status of Prior Year Findings and Questioned Costs

There were no prior year findings.

GRAND BLANC COMMUNITY SCHOOLS DESCRIPTION OF STATISTICAL SECTION

This section of the comprehensive annual financial report presents detailed information as a context for understanding the data contained in the financial statements, note disclosures, and required supplementary information as it relates to the overall financial health of the District. These detailed schedules can be categorized as follows:

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant revenue source - its foundation allowance.

Debt Capacity

Information is presented to help the reader assess the District's current level of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

Demographic and economic indicators are presented to assist the reader in understanding the environment within which the District's financial activities take place.

Operating Information

Service and infrastructure data is presented to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Continuing Disclosure Information

Schedules contained in this section are required as a part of ongoing bonded debt disclosures and give additional information about the District's financial trends and tax base.

Sources: Unless otherwise noted, the information contained in the statistical schedules is derived from previous years comprehensive annual reports. The district implemented GASB statement 34 beginning in the fiscal year ended June 30, 2002. Government-wide information is available beginning with that year and is included in this report.

GRAND BLANC COMMUNITY SCHOOLS
FINANCIAL TREND INFORMATION
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year Ended June 30,</u>	<u>Invested in Capital Assets Net of Related Debt</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total Net Assets</u>
2008	\$ 15,213,720	\$ 1,138,155	\$ 16,885,490	\$ 33,237,365
2007	14,770,913	3,750,661	15,950,415	34,471,989
2006	19,074,565	6,899,044	17,122,744	43,096,353
2005	18,581,996	3,512,715	15,575,722	37,670,433
2004	15,131,200	562,828	12,542,468	28,236,496
2003	10,318,162	2,624,224	11,354,270	24,296,656
2002	11,205,812	1,833,563	7,869,320	20,908,695

Note: Data is available for years beginning after June 30, 2001.

GRAND BLANC COMMUNITY SCHOOLS
FINANCIAL TREND INFORMATION
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ended						
	2008	2007	2006	2005	2004	2003	2002
Expenditures							
Instruction							
Basic programs	\$ 40,136,973	\$ #####	\$ #####	\$ #####	\$ #####	\$ #####	\$ #####
Added needs	7,523,314	7,518,528	7,279,508	7,167,245	6,384,967	5,092,266	4,886,433
Support services	28,710,927	#####	#####	#####	#####	#####	#####
Community services	457,006	430,040	501,180	589,472	496,691	467,949	567,178
Food services	2,861,555	2,728,402	3,197,625	2,486,820	2,248,200	1,953,964	1,713,766
Athletics	886,621	819,762	775,698	726,455	717,734	660,444	675,462
Child care	1,007,185	939,603	837,130	737,492	719,410	636,255	615,338
Interest on long-term debt net of amortization of debt issue premium	4,713,513	4,871,941	4,798,255	5,104,167	1,595,325	919,011	761,787
Unallocated depreciation	194	70,770	132,471	119,440	502,484	554,741	1,041,268
Total Expenditures	86,297,288	#####	#####	#####	#####	#####	#####
Program Revenues							
Charges for services							
Community services	226,862	261,520	320,214	330,653	307,483	204,552	207,203
Food services	2,041,439	2,059,846	1,927,847	1,798,140	1,635,989	1,418,291	1,309,616
Athletics	167,399	176,705	207,058	197,180	180,171	160,718	147,932
Child care	989,447	942,127	852,430	795,034	757,285	625,406	593,538
Operating grants and contributions	6,596,048	6,087,190	5,624,985	5,844,885	4,962,279	4,770,642	4,280,643
Total Program Revenues	10,021,195	9,527,388	8,932,534	8,965,892	7,843,207	7,179,609	6,538,932
Net revenue (expenditures)	(76,276,093)	#####	#####	#####	#####	#####	#####
General Revenues and Other Changes in Net Assets							
Property tax - General Fund	11,183,243	#####	9,855,024	9,400,214	8,965,153	8,632,061	8,006,654
Property tax - Sinking Fund	1,875,897	1,772,864	1,719,643	1,550,846	1,438,474	1,358,426	1,218,452
Property tax - Debt Retirement Fund	8,268,042	8,038,997	7,656,254	7,140,692	2,649,495	2,455,545	2,246,347
State school aid - unrestricted	51,981,796	#####	#####	#####	#####	#####	#####
Unrestricted contributions	167,302	162,674	203,129	398,251	201,130	160,746	184,688
Investment earnings	653,028	1,332,868	1,712,919	2,911,622	349,753	656,041	1,227,239
Miscellaneous	912,161	895,870	628,225	475,290	672,918	249,791	1,184,121
Total General Revenue	75,041,469	#####	#####	#####	#####	#####	#####
Change in net assets	\$ (1,234,624)	\$ (7,848,147)	\$ 5,425,920	\$ 9,433,937	\$ 3,939,840	\$ 4,180,826	\$ 6,880,895
Revenue per pupil:							
Local	\$ 3,216	\$ 3,286	\$ 3,261	\$ 3,409	\$ 2,435	\$ 2,441	\$ 2,583
Federal	316	296	282	306	291	271	250
Total Revenue per Pupil	\$ <u>3,532</u>	\$ <u>3,583</u>	\$ <u>3,543</u>	\$ <u>3,714</u>	\$ <u>2,726</u>	\$ <u>2,713</u>	\$ <u>2,834</u>
Expense per Pupil	\$ <u>10,271</u>	\$ <u>11,100</u>	\$ <u>9,131</u>	\$ <u>8,562</u>	\$ <u>8,173</u>	\$ <u>8,090</u>	\$ <u>7,722</u>
Student enrollment (blended count)	8,402	8,131	7,848	7,542	7,211	6,721	6,449

Note: Data is available for years beginning after June 30, 2001.

GRAND BLANC COMMUNITY SCHOOLS
FINANCIAL TREND INFORMATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	General Fund			
	Reserved	Unreserved, Designated	Unreserved, Undesignated	Total
2008	\$ 209,824	\$ 659,399	\$ 15,631,608	\$ 16,500,831
2007	540,915	673,025	15,170,104	16,384,044
2006	623,887	898,384	16,625,143	18,147,414
2005	316,732	450,642	14,940,266	15,707,640
2004	711,260	1,372,674	11,638,331	13,722,265
2003	803,817	285,000	10,957,837	12,046,654
2002	788,719	198,487	8,495,130	9,482,336

Fiscal Year Ended June 30,	All Other Governmental Funds			
	Reserved		Unreserved	Total
	Capital Projects	Debt Service	School Service	
2008	\$ 333,265	\$ 1,389,251	\$ 1,363,663	\$ 3,086,179
2007	3,490,348	1,313,467	1,073,554	5,877,369
2006	19,914,221	1,048,172	742,225	21,704,618
2005	70,618,260	816,083	1,141,004	72,575,347
2004	93,173,990	737,434	1,009,093	94,920,517
2003	2,936,220	567,678	842,591	4,346,489
2002	18,415,789	951,407	742,660	20,109,856

Note: Data is available for years beginning after June 30, 2001.

GRAND BLANC COMMUNITY SCHOOLS
FINANCIAL TREND INFORMATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Revenues:							
Local	\$ 26,477,462	\$ 26,204,323	\$ 25,090,352	\$ 24,997,921	\$ 17,184,712	\$ 15,856,479	\$ 16,271,046
Interdistrict Sources	545,801	518,186	498,414	710,963	377,580	551,812	388,278
State	55,387,362	53,274,942	49,283,661	45,996,066	43,215,251	40,324,775	38,403,062
Federal	2,652,039	2,406,866	2,213,347	2,304,358	2,096,116	1,822,966	1,614,813
Total Revenues	85,062,664	82,404,317	77,085,774	74,009,308	62,873,659	58,556,032	56,677,199
Expenditures:							
Basic Programs	32,908,561	32,141,709	29,369,768	27,286,100	25,093,813	23,844,637	20,251,344
Added Needs	7,523,314	7,518,528	7,279,508	7,167,245	6,388,993	5,101,266	4,886,433
Support Services:							
Pupil	3,526,078	3,236,020	2,715,365	2,534,552	2,294,912	1,771,474	1,402,680
Instructional Staff	2,897,678	3,377,579	2,476,135	2,227,718	2,386,938	2,426,595	1,890,872
General Administration	716,608	776,826	877,681	638,947	639,249	777,522	991,516
School Admin	4,165,864	4,016,052	3,401,000	3,357,898	3,101,548	2,531,410	2,336,644
Business Services	821,253	1,532,658	883,459	833,394	860,262	1,855,361	1,961,302
Operations & Maintenance	9,765,040	9,447,297	7,268,643	7,037,472	7,348,312	6,701,072	6,212,137
Transportation	3,438,627	3,830,163	2,664,044	2,869,033	2,622,986	2,486,300	2,188,654
Central Services	2,382,788	1,537,316	2,342,673	1,246,879	1,170,008	555,036	3,184,477
Community Education	457,006	430,040	501,180	531,005	516,798	467,949	567,178
Other Supporting Services	4,735,244	4,491,517	4,786,782	3,995,244	3,662,035	3,250,663	3,228,798
Capital Projects							
Capital Outlay & Other Costs	4,323,094	18,726,081	53,456,978	26,722,186	5,124,292	17,105,931	3,123,356
Debt Service							
Principal	3,550,000	2,965,000	2,450,000	1,975,000	1,650,000	1,965,000	2,785,000
Interest and Other Costs	4,907,603	5,050,853	5,141,241	5,180,400	853,212	916,662	481,874
Total Expenditures	86,118,758	99,077,639	125,614,457	93,603,073	63,713,358	71,756,878	55,492,265
Excess (deficiency) of Revenues Over (Under) Expenditures	(1,056,094)	(16,673,322)	(48,528,683)	(19,593,765)	(839,699)	(13,200,846)	1,184,934
Other Financing Sources							
Equipment Loans	-	-	988,890	-	161,630	933,332	652,857
Bond Proceeds	-	-	-	-	90,105,000	-	19,610,938
Bond Premium	-	-	-	-	4,478,493	-	-
Interfund Transfers	699,105	646,807	544,969	512,939	514,254	499,726	527,530
Total Other Financing Sources	699,105	646,807	1,533,859	512,939	95,259,377	1,433,058	20,791,325
Other Financing Uses							
Installment Loan Payments	540,983	620,465	639,777	700,365	768,133	605,347	251,563
Interfund Transfers	699,105	646,807	544,969	512,939	514,254	499,726	527,530
Building Improvements	299,633	296,832	250,010	-	-	-	-
Bond Issuance Costs	-	-	-	-	813,132	-	99,119
Uncollectable Taxes	-	-	-	-	-	2,703	74,074
Fiscal Agent Disbursements	1,475	-	1,375	65,666	74,520	87,900	68,890
Total Other Financing Uses	1,541,196	1,564,104	1,436,131	1,278,970	2,170,039	1,195,676	1,021,176
Change in Fund Balance	\$ (1,898,185)	\$ (17,590,619)	\$ (48,430,955)	\$ (20,359,796)	\$ 92,249,639	\$ (12,963,464)	\$ 20,955,083
Debt Service as a Percentage of Non-capital Expenditures	10.71%	10.34%	10.96%	10.98%	4.46%	5.62%	6.66%

Note: Data is available for years beginning after June 30, 2001.

GRAND BLANC COMMUNITY SCHOOLS
REVENUE CAPACITY INFORMATION
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year		Real Property		Personal Property		Total	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2007-08	Non-homestead	\$ 568,115,811	\$ 1,136,231,622	\$ 965,783	\$ 1,931,566	\$ 569,081,594	\$ 1,138,163,188
	Homestead	1,310,148,199	2,620,296,398		-	\$ 1,310,148,199	2,620,296,398
	Total	1,878,264,010	3,756,528,020	965,783	1,931,566	1,879,229,793	3,758,459,586
2006-07	Non-homestead	\$ 644,007,928	\$ 1,288,015,856	\$ 109,151,663	\$218,303,326	\$ 753,159,591	\$ 1,506,319,182
	Homestead	1,269,425,755	2,538,851,510		-	1,269,425,755	2,538,851,510
	Total	1,913,433,683	3,826,867,366	109,151,663	218,303,326	2,022,585,346	4,045,170,692
2005-06	Non-homestead	563,345,798	1,126,691,596	127,483,721	254,967,442	690,829,519	1,381,659,038
	Homestead	1,116,712,664	2,233,425,328		-	1,116,712,664	2,233,425,328
	Total	1,680,058,462	3,360,116,924	127,483,721	254,967,442	1,807,542,183	3,615,084,366
2004-05	Non-homestead	512,005,746	1,024,011,492	122,101,358	244,202,716	634,107,104	1,268,214,208
	Homestead	1,059,130,582	2,118,261,164		-	1,059,130,582	2,118,261,164
	Total	1,571,136,328	3,142,272,656	122,101,358	244,202,716	1,693,237,686	3,386,475,372
2003-04	Non-homestead	508,774,387	1,017,548,774	125,196,180	250,392,360	633,970,567	1,267,941,134
	Homestead	949,841,271	1,899,682,542		-	949,841,271	1,899,682,542
	Total	1,458,615,658	2,917,231,316	125,196,180	250,392,360	1,583,811,838	3,167,623,676
2002-03	Non-homestead	493,864,604	987,729,208	125,218,580	250,437,160	619,083,184	1,238,166,368
	Homestead	864,297,445	1,728,594,890		-	864,297,445	1,728,594,890
	Total	1,358,162,049	2,716,324,098	125,218,580	250,437,160	1,483,380,629	2,966,761,258
2001-02	Non-homestead	493,864,604	987,729,208	125,676,040	251,352,080	619,540,644	1,239,081,288
	Homestead	737,811,865	1,475,623,730		-	737,811,865	1,475,623,730
	Total	1,231,676,469	2,463,352,938	125,676,040	251,352,080	1,357,352,509	2,714,705,018
2000-01	Non-homestead	297,773,935	595,547,870	120,218,930	240,437,860	417,992,865	835,985,730
	Homestead	708,544,790	1,417,089,580		-	708,544,790	1,417,089,580
	Total	1,006,318,725	2,012,637,450	120,218,930	240,437,860	1,126,537,655	2,253,075,310
1999-00	Non-homestead	379,694,240	759,388,480	126,648,200	253,296,400	506,342,440	1,012,684,880
	Homestead	597,073,540	1,194,147,080		-	597,073,540	1,194,147,080
	Total	976,767,780	1,953,535,560	126,648,200	253,296,400	1,103,415,980	2,206,831,960
1998-99	Non-homestead	305,094,449	610,188,898	115,973,470	231,946,940	421,067,919	842,135,838
	Total	305,094,449	610,188,898	115,973,470	231,946,940	421,067,919	842,135,838

Source: Genesee County Equalization Department

Note: Estimated actual values are calculated at twice the assessed value to approximate market.

GRAND BLANC COMMUNITY SCHOOLS
REVENUE CAPACITY INFORMATION
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Principal Taxpayers	March 31, 2008			March 31, 2002		
	Taxable Assessed Value	Rank	Percent of Total	Taxable Assessed Value	Rank	Percent of Total
General Motors Corp. - Metal Fabricating Division	\$ 18,030,900	1	0.96	\$ 47,987,836	1	3.54
General Motors Corp. - Service Parts Operations	20,586,102	2	1.10	19,290,900	3	1.42
Consumers Energy	19,497,192	3	1.04	18,502,414	4	1.36
Ring Screw / Titan Fasteners	14,162,721	4	0.75	13,556,051	5	1.00
Auker Associates	10,429,633	5	0.55	11,091,690	7	0.82
Edward Rose Associates	9,896,100	6	0.53	12,867,060	6	0.95
Edward Rose Development Company	9,632,500	7	0.51			
Walmart	9,418,500	8	0.50	-		-
Knollwood	9,186,600	9	0.49	9,533,000	9	0.70
Genesys Medsports	9,065,400	10	0.48	10,801,318	8	0.80
VEMCO	-		-	21,983,100	2	1.62
Grand Blanc Processing	-		-	6,764,727	10	0.50
Subtotal	129,905,648		6.91	172,378,096		12.71
All others	1,749,324,145		93.09	1,184,974,413		87.29
Totals	\$ 1,879,229,793		100.00	\$ 1,357,352,509		100.00

Note: Data is available for years beginning after June 30, 2001.

Source: Grand Blanc Township Assessor

GRAND BLANC COMMUNITY SCHOOLS
REVENUE CAPACITY INFORMATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

Grand Blanc																
District Direct Rates																
Fiscal Year	Operating (Mills)		Debt (Mills)	Building and Site Sinking (Mills)	Total School District (Mills)	Genesee Intermediate School District (Mills)	State Education (Mills)	Genesee County (Mills)	City of Grand Blanc (Mills)	City of Burton (Mills)	Atlas Township (Mills)	Grand Blanc Township (Mills)	Mundy Township (Mills)	Oakland County (Mills)	Holly Township (Mills)	Mott Community College (Mills)
2007-08	18.0000	**	4.3600	1.0000	23.3600	3.5341	6.0000	8.1766	12.1500	6.8946	2.7252	5.4119	4.5640	4.6461	2.4360	2.6796
2006-07	18.0000	**	4.4700	1.0000	23.4700	3.5341	6.0000	8.1766	12.1500	6.3446	2.6776	5.4230	4.5640	4.6461	2.4360	2.6796
2005-06	18.0000	**	4.5000	1.0000	23.5000	3.5361	6.0000	6.4793	13.1352	6.3549	2.7026	5.4231	4.5640	4.6461	2.4608	2.6807
2004-05	17.6344		4.5000	0.9768	23.1112	3.5361	6.0000	6.4793	13.1352	6.4871	2.7512	5.4454	4.5640	4.6476	2.4751	2.6807
2003-04	17.6344		1.8000	0.9779	20.4123	3.5469	5.0000	6.4950	13.1352	6.7938	2.7864	5.4618	4.5640	4.6497	2.4751	2.7466
2002-03	17.7480		1.8000	0.9872	20.5352	3.5673	6.0000	6.5284	13.1436	7.3190	2.7059	5.5237	4.5640	4.6523	2.5000	2.8280
2001-02	18.0000		1.8000	0.9923	20.7923	3.5835	6.0000	6.5600	13.2436	7.4421	2.7059	5.5737	4.5640	4.6438	1.0000	2.8672
2000-01	17.8311		1.8000	1.0000	20.6311	3.5894	6.0000	6.5600	13.1436	7.6612	2.7512	5.6986	4.5640	4.4276	1.0000	1.8694
1999-00	18.0000	**	1.8000	0.9925	20.7925	3.5894	6.0000	6.5600	13.1461	7.7932	2.8047	6.0692	6.8222	4.6522	1.0000	1.8694
1998-99	18.0000	**	1.8000	1.0000	20.8000	3.6032	6.0000	8.2618	13.1500	7.9038	2.8481	6.2387	6.8222	4.8180	2.5000	1.8745

Source: Genesee County Equalization Department and Oakland County Department of Management and Budget

** Millage limitation for school districts within the State of Michigan

GRAND BLANC COMMUNITY SCHOOLS
REVENUE CAPACITY INFORMATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2007-08	\$ 20,170,245	\$ 20,170,245	100.00%	-	\$20,170,245	100.00%	-	0.00%
2006-07	20,235,255	20,235,255	100.00%	-	20,235,255	100.00%	-	0.00%
2005-06	18,999,087	18,999,087	100.00%	-	18,999,087	100.00%	-	0.00%
2004-05	18,091,752	18,091,752	100.00%	-	18,091,752	100.00%	-	0.00%
2003-04	12,982,631	12,982,631	100.00%	-	12,982,631	100.00%	-	0.00%
2002-03	12,446,032	12,446,032	100.00%	-	12,446,032	100.00%	-	0.00%
2001-02	10,756,083	10,756,083	100.00%	-	10,756,083	100.00%	-	0.00%
2000-01	10,510,280	10,510,280	100.00%	-	10,510,280	100.00%	-	0.00%
1999-00	10,192,292	10,192,292	100.00%	-	10,192,292	100.00%	-	0.00%
1998-99	9,402,868	9,402,868	100.00%	-	9,402,868	100.00%	-	0.00%

Note: Taxable levy adjusted to collections. Amounts not collected from additional levy are not material.

Source: district records

GRAND BLANC COMMUNITY SCHOOLS
REVENUE CAPACITY INFORMATION
SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT
(UNAUDITED)

<u>Direct Debt</u>	<u>Debt Outstanding</u>	<u>Percent Applicable to School District</u>	<u>Amount Applicable to School District</u>	<u>Debt Principal Per Capita (Pop 46,460)</u>	<u>Percent of STV (A)</u>
General obligation bonds	\$ 98,790,000	100.00%	\$ 98,790,000	\$ 2,114	5.26%
Less: amount available in Debt Service Funds	<u>1,313,467</u>	100.00%	<u>1,313,467</u>	<u>28</u>	<u>0.07%</u>
Total direct debt	<u>97,476,533</u>	100.00%	<u>97,476,533</u>	<u>2,086</u>	<u>5.19%</u>
<u>Overlapping Debt (A)</u>					
City of Burton	9,100,000	10.92%	993,720	21	0.05%
City of Grand Blanc	3,640,000	100.00%	3,640,000	78	0.19%
Atlas Township	285,000	1.27%	3,620	-	0.00%
Grand Blanc Township	10,700,000	95.53%	10,221,710	219	0.54%
Holly	-	37.00%	-	-	0.00%
Mundy Township	406,880	23.15%	94,193	2	0.01%
Genesee County	97,086,736	16.14%	15,669,799	335	0.83%
Oakland County	109,962,280	0.00%	-	-	0.00%
Genesee Intermediate School District	-	15.38%	-	-	0.00%
Mott Community College	75,725,000	15.39%	11,654,078	249	0.62%
Bishop Airport Authority	<u>10,555,000</u>	16.14%	<u>1,703,577</u>	<u>36</u>	<u>0.09%</u>
Total overlapping debt	<u>317,460,896</u>		<u>43,980,696</u>	<u>940</u>	<u>2.33%</u>
Total direct and overlapping debt	<u>\$ 414,937,429</u>		<u>\$ 141,457,229</u>	<u>\$ 3,026</u>	<u>7.52%</u>

(A) - Overlapping debt amounts provided by the Municipal Advisory Council of Michigan.

GRAND BLANC COMMUNITY SCHOOLS
DEBT CAPACITY INFORMATION
RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Population (Estimated)	Gross Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Installment Notes	Total Net Debt	Ratio of Net Bonded Debt to Assessed Value	Ratio of Net Debt to Personal Income	Total Net Debt Per Capita
2007-08	46,740	\$ 95,240,000	\$ 1,389,251	\$ 93,850,749	\$ 400,626	\$ 94,251,375	4.99%	0.03%	\$ 2,016
2006-07	46,500	98,790,000	1,313,467	97,476,533	914,929	98,391,462	4.82%	0.03%	2,116
2005-06	46,460	101,755,000	1,048,172	100,706,828	1,518,127	102,224,955	5.57%	0.03%	2,200
2004-05	46,000	104,205,000	816,083	103,388,917	1,077,930	104,466,847	6.11%	0.03%	2,271
2003-04	44,000	106,180,000	737,434	105,442,566	1,734,213	107,176,779	6.66%	0.03%	2,436
2002-03	40,200	17,725,000	567,678	17,157,322	2,236,829	19,394,151	1.16%	0.14%	482
2001-02	39,800	20,540,000	951,407	19,588,593	1,908,845	21,497,438	1.44%	0.12%	540
2000-01	39,400	2,475,000	706,237	1,768,763	1,507,550	3,276,313	0.16%	0.78%	83
1999-00	36,042	4,225,000	446,430	3,778,570	89,000	3,867,570	0.34%	0.65%	107
1998-99	35,874	5,785,000	227,117	5,557,883	217,840	5,775,723	1.32%	0.41%	161

Note: Detail regarding the District's outstanding debt can be found in the notes to financial statements.

GRAND BLANC COMMUNITY SCHOOLS
DEBT CAPACITY INFORMATION
SCHEDULE OF OUTSTANDING BONDED DEBT
AS OF JUNE 30, 2008
(UNAUDITED)

	Interest			
	Rate	Principal	Interest	Total
Series 2001	4.00%	\$ 600,000	\$ 591,613	\$ 1,191,613
Series 2004	5.00%	3,600,000	4,173,500	7,773,500
Total 2009		4,200,000	4,765,113	8,965,113
Series 2001	4.25%	660,000	567,613	1,227,613
Series 2004	3.50%	1,950,000	3,993,500	5,943,500
Total 2010		2,610,000	4,561,113	7,171,113
Series 2001	4.25%	725,000	539,563	1,264,563
Series 2004	5.00%	2,200,000	3,925,250	6,125,250
Total 2011		2,925,000	4,464,813	7,389,813
Series 2001	5.00%	1,000,000	508,750	1,508,750
Total 2012		1,000,000	508,750	1,508,750
Series 2001	5.5% -5.63%	5,000,000	1,740,000	6,740,000
Series 2004	5.00%	16,875,000	17,003,750	33,878,750
Total 2013 - 2017		21,875,000	18,743,750	40,618,750
Series 2001	5% -5.63%	14,200,000	2,428,126	16,628,126
Series 2004	5.00%	13,150,000	10,003,750	23,153,750
Total 2018 - 2021		27,350,000	12,431,876	39,781,876
Series 2004	5.00%	27,500,000	5,500,000	33,000,000
Total 2022 - 2027		27,500,000	5,500,000	33,000,000
Series 2004	5.00%	5,500,000	275,000	5,775,000
Total 2028		5,500,000	275,000	5,775,000
Total		\$ 92,960,000	\$ 51,250,415	\$ 144,210,415

Source: district records

GRAND BLANC COMMUNITY SCHOOLS
DEBT CAPACITY INFORMATION
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
(UNAUDITED)

	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Assessed Value	\$ 1,879,229,793	\$ 2,022,585,346	\$ 1,807,542,183	\$ 1,693,237,686	\$ 1,583,811,838	\$ 1,483,380,629	\$ 1,357,352,509
Statutory bonding limit - 15% of state equalized value	281,884,469	303,387,802	271,131,327	253,985,653	237,571,776	222,507,094	203,602,876
Debt outstanding	95,240,000	98,790,000	101,755,000	104,205,000	106,180,000	17,725,000	20,540,000
Less:							
Bonds not subject to debt limit	84,055,000	87,055,000	89,520,000	89,955,000	90,005,000	-	-
Total debt applicable to debt limit	<u>11,185,000</u>	<u>11,735,000</u>	<u>12,235,000</u>	<u>14,250,000</u>	<u>16,175,000</u>	<u>17,725,000</u>	<u>20,540,000</u>
Legal Debt Margin	<u>\$ 270,699,469</u>	<u>\$ 291,652,802</u>	<u>\$ 258,896,327</u>	<u>\$ 239,735,653</u>	<u>\$ 221,396,776</u>	<u>\$ 204,782,094</u>	<u>\$ 183,062,876</u>
Ratio of legal debt margin to debt limit	96.03%	96.13%	95.49%	94.39%	93.19%	92.03%	89.91%

Note: Data is available for years beginning after June 30, 2001.

Section 1351(3) of Act 451, Public Acts of Michigan, 1976, as amended, provides that bonds not included in the computation of the legal debt margin are (1) any bond qualified under Article IX, Section 16 of the Michigan Constitution of 1963, and (2) deficit budget bonds authorized under Section 1356. In addition, Section 605 of Act 34, Public Acts of Michigan, 2001, as amended, provides, in relevant part, that debt evidenced by a refunding security shall not be deemed to be within any statutory or charter limitation of outstanding debt limit.

GRAND BLANC COMMUNITY SCHOOLS
DEMOGRAPHIC AND ECONOMIC INFORMATION
POPULATION, INCOME AND UNEMPLOYMENT RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

Calendar Year	Grand Blanc Community Schools Population (Estimate) (1)	Percentage Students of Minority Ancestry (1)	Genesee County Population (Estimate) (3)	Genesee County Total Personal Income (Estimate) (2)	Genesee County Per Capita Income (Estimate) (2)	Genesee County Unemployment Rate (Estimate) (3)
2008	46,974	20.00%	(N)	(N)	(N)	8.50%
2007	46,740	20.00%	434,715	(N)	(N)	8.30%
2006	46,500	18.05%	437,993	\$ 12,616,000	\$ 28,803	8.10%
2005	46,260	17.18%	439,508	12,131,000	27,602	7.80%
2004	45,802	15.09%	440,099	11,979,000	27,219	8.20%
2003	44,000	14.00%	439,669	12,279,118	27,799	8.30%
2002	40,000	14.08%	438,858	11,768,618	26,723	7.30%
2001	39,794	13.15%	437,914	11,428,292	26,429	6.00%
2000	39,400	12.90%	436,141	11,550,238	25,593	4.40%
1999	36,042	11.80%	434,409	11,117,952	24,955	5.00%

(1) Based on estimates from available District data.

(2) Regional Economic Information System, Bureau of Economic Analysis, April 2007

(3) Michigan Department of Labor & Economic Growth

(N) Data not available.

GRAND BLANC COMMUNITY SCHOOLS
DEMOGRAPHIC AND ECONOMIC INFORMATION
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

<u>Taxpayer</u>	2008 Estimated Number of Employees	2006* Estimated Number of Employees	1999 Estimated Number of Employees
Genesys Health Systems	3,050	3,050	N/A
General Motors Corp. - Service Parts Operation	1,330	1,200	N/A
Grand Blanc Community Schools	812	788	N/A
General Motors Corp. - Metal Fabricating Division	540	820	N/A
Walmart	376	300	N/A
Serra Automotive	260	265	N/A
Inalfa Roof Systems	218	N/A	N/A
Genesys Athletic Club	210	N/A	N/A
Hutchings Automotive Pro/Mehr Tube	203	325	N/A
Acumet Industries	200	N/A	N/A
Cadance Innovation	N/A	550	N/A
Textron Fastening Systems	N/A	298	N/A
Sam's Club	N/A	220	N/A

*Data prior to 2006 not available

N/A Data not available

Source: Grand Blanc Township

GRAND BLANC COMMUNITY SCHOOLS
OPERATING INFORMATION
FULL TIME EQUIVALENT (FTE) EMPLOYEES BY FUNCTION AND TYPE
LAST FIVE FISCAL YEARS
(UNAUDITED)

	2007-08		2006-07		2005-06		2004-05		2003-04	
	FTE	%of Total	FTE	%of Total	FTE	%of Total	FTE	%of Total	FTE	%of Total
General Education Teachers	358.55	49.13%	354.55	48.45%	335.50	47.45%	329.78	47.34%	325.78	47.78%
Special Education Teachers	38.50	5.28%	38.50	5.26%	39.00	5.52%	39.00	5.60%	36.50	5.35%
Sp Ed Teacher Consultants	4.00	0.55%	4.00	0.55%	4.00	0.57%	4.00	0.57%	4.00	0.59%
Instructional Assistants	48.00	6.58%	48.00	6.56%	51.00	7.21%	51.00	7.32%	52.00	7.63%
Special Ed Other Support Staff	3.00	0.41%	3.00	0.41%	3.00	0.42%	3.00	0.43%	3.00	0.44%
Compensatory Education Teachers	16.20	2.22%	16.20	2.21%	15.20	2.15%	15.20	2.18%	14.50	2.13%
Career Technical/Teachers	7.00	0.96%	8.00	1.09%	8.00	1.13%	9.00	1.29%	9.00	1.32%
Guidance Counselors	12.50	1.71%	12.50	1.71%	9.00	1.27%	9.00	1.29%	10.00	1.47%
Other Student Support Staff	36.00	4.93%	36.00	4.92%	29.60	4.19%	29.60	4.25%	27.50	4.03%
Instructional Support	5.50	0.75%	5.50	0.75%	5.50	0.78%	4.00	0.57%	4.00	0.59%
Librarians/Media Specialists	5.00	0.69%	5.00	0.68%	5.00	0.71%	4.00	0.57%	4.00	0.59%
Library/Media Support Staff	11.00	1.51%	11.00	1.50%	12.00	1.70%	12.00	1.72%	11.00	1.61%
School Administrators	16.00	2.19%	16.00	2.19%	16.00	2.26%	16.50	2.37%	16.50	2.42%
School Admin. Support Staff	28.00	3.84%	28.00	3.83%	28.00	3.96%	24.20	3.47%	24.20	3.55%
Other Support Services Staff	134.00	18.36%	139.00	19.00%	139.80	19.77%	139.80	20.07%	132.36	19.41%
Directors/Supervisors	6.00	0.82%	6.00	0.82%	6.00	0.85%	6.00	0.86%	6.00	0.88%
Coordinators	0.50	0.07%	0.50	0.07%	0.50	0.07%	0.50	0.07%	1.50	0.22%
Total FTE's	<u>729.75</u>	<u>100.00%</u>	<u>731.75</u>	<u>100.00%</u>	<u>707.10</u>	<u>100.00%</u>	<u>696.58</u>	<u>100.00%</u>	<u>681.84</u>	<u>100.00%</u>

GRAND BLANC COMMUNITY SCHOOLS
OPERATING INFORMATION
FREE & REDUCED LUNCH COUNT
LAST TEN FISCAL YEARS
JUNE 30, 2008
(UNAUDITED)

<u>Fiscal Year</u>	<u>Free and Reduced Eligible Count (October)</u>	<u>Student Count*</u>	<u>% of Student Population</u>
2007-08	1,260	8,473	15%
2006-07	1,096	8,229	13%
2005-06	976	7,940	12%
2004-05	876	7,624	11%
2003-04	724	7,313	10%
2002-03	618	6,789	9%
2001-02	568	6,449	9%
2000-01	533	6,260	9%
1999-00	404	5,927	7%
1998-99	392	5,891	7%

*September enrollment

GRAND BLANC COMMUNITY SCHOOLS
OPERATING INFORMATION
GENERAL FUND
EXPENDITURES AND OTHER FINANCING USES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

	2007-08	2006-07	2005-06	2004-05	2003-04
Expenditures					
Instruction					
Basic programs	\$ 32,899,832	\$ 32,075,488	\$ 29,367,033	\$ 27,279,182	\$ 25,034,059
Added needs	7,458,670	7,473,943	7,166,548	7,005,928	6,339,268
Vocational education	51,017	49,421	48,108	50,424	45,699
Total instruction	<u>40,409,519</u>	<u>39,598,852</u>	<u>36,581,689</u>	<u>34,335,534</u>	<u>31,419,026</u>
Supporting services					
Pupil services	3,526,076	3,236,019	2,715,365	2,534,552	2,294,912
Instructional staff	2,881,042	3,308,722	2,453,268	2,181,881	2,305,431
General administration	716,608	776,825	877,681	638,947	639,249
School administration	4,165,864	4,016,052	3,401,000	3,357,898	3,101,549
Business services	587,381	1,118,662	605,396	558,456	515,813
Operation and maintenance	8,998,656	8,531,628	6,839,070	6,441,855	6,202,321
Pupil transportation	3,155,923	2,872,814	2,629,403	2,422,751	2,229,728
Central services	1,489,593	1,293,065	1,152,036	1,028,567	1,017,489
Total supporting services	<u>25,521,143</u>	<u>25,153,787</u>	<u>20,673,219</u>	<u>19,164,907</u>	<u>18,306,492</u>
Community services	<u>457,006</u>	<u>421,190</u>	<u>497,917</u>	<u>523,805</u>	<u>496,691</u>
Capital outlay	<u>2,215,149</u>	<u>2,670,359</u>	<u>2,026,631</u>	<u>1,705,997</u>	<u>2,201,610</u>
Debt service	<u>540,983</u>	<u>620,465</u>	<u>639,777</u>	<u>700,365</u>	<u>768,133</u>
Total expenditures	69,143,800	68,464,653	60,419,233	56,430,608	53,191,952
Other financing uses	<u>1,000,213</u>	<u>943,639</u>	<u>796,354</u>	<u>578,605</u>	<u>588,774</u>
Total expenditures and other financing uses	<u>\$ 70,144,013</u>	<u>\$ 69,408,292</u>	<u>\$ 61,215,587</u>	<u>\$ 57,009,213</u>	<u>\$ 53,780,726</u>
Official student enrollment	8,402	8,131	7,848	7,542	7,211
Expenditures per student	\$ 8,348	\$ 8,536	\$ 7,800	\$ 7,559	\$ 7,458

(continued)

GRAND BLANC COMMUNITY SCHOOLS
OPERATING INFORMATION
GENERAL FUND
EXPENDITURES AND OTHER FINANCING USES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

	2002-03	2001-02	2000-01	1999-00	1998-99
Expenditures					
Instruction					
Basic programs	\$ 23,844,637	\$ 20,237,544	\$ 19,039,549	\$ 17,731,884	\$ 17,437,506
Added needs	5,046,185	4,828,109	4,474,480	4,031,010	3,719,471
Vocational education	46,081	44,142	39,556	39,556	-
Total instruction	<u>28,936,903</u>	<u>25,109,795</u>	<u>23,553,585</u>	<u>21,802,450</u>	<u>21,156,977</u>
Supporting services					
Pupil services	1,723,388	1,396,880	1,345,186	1,358,513	1,187,709
Instructional staff	2,327,897	1,786,631	1,720,074	1,602,738	1,444,386
General administration	777,522	991,516	896,510	669,334	632,028
School administration	2,531,410	2,336,644	2,270,191	2,218,168	2,090,305
Business services	761,908	737,716	645,215	667,863	686,548
Operation and maintenance	5,243,444	4,854,699	4,706,877	4,248,060	4,113,046
Pupil transportation	2,091,911	1,793,946	1,775,919	1,482,656	1,689,540
Central services	555,036	2,925,851	3,809,941	2,879,574	2,369,706
Total supporting services	<u>16,012,516</u>	<u>16,823,883</u>	<u>17,169,913</u>	<u>15,126,906</u>	<u>14,213,268</u>
Community services	<u>466,337</u>	<u>567,178</u>	<u>481,208</u>	<u>466,851</u>	<u>446,399</u>
Capital outlay	<u>3,102,866</u>	<u>3,466,855</u>	<u>4,443,176</u>	<u>3,019,455</u>	<u>4,303,484</u>
Debt service	<u>605,347</u>	<u>251,563</u>	<u>171,003</u>	<u>140,722</u>	<u>194,180</u>
Total expenditures	49,123,969	46,219,274	45,818,885	40,556,384	40,314,308
Other financing uses	<u>590,329</u>	<u>670,494</u>	<u>322,823</u>	<u>579,128</u>	<u>1,865,183</u>
Total expenditures and other financing uses	<u>\$ 49,714,298</u>	<u>\$ 46,889,768</u>	<u>\$ 46,141,708</u>	<u>\$ 41,135,512</u>	<u>\$ 42,179,491</u>
Official student enrollment	6,789	6,449	6,260	5,927	5,891
Expenditures per student	\$ 7,323	\$ 7,271	\$ 7,371	\$ 6,940	\$ 7,160

GRAND BLANC COMMUNITY SCHOOLS
OPERATING INFORMATION
ENROLLMENT STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>September Enrollment</u>	<u>Teaching Staff</u>	<u>Ratio Pupils to Teaching Staff</u>	<u>State Foundation Allowance</u>
2007-08	8,473	420	20.17	\$ 7,651.00
2006-07	8,229	405	20.32	7,565.00
2005-06	7,940	388	20.46	7,355.00
2004-05	7,624	387	19.70	7,180.00
2003-04	7,313	373	19.61	7,180.00
2002-03	6,789	368	18.45	7,180.00
2001-02	6,449	364	17.72	6,980.00
2000-01	6,260	362	17.29	6,680.00
1999-00	5,927	357	16.60	6,379.49
1998-99	5,891	349	16.88	6,192.49

Note: Enrollment statistics based on full-time equivalents

GRAND BLANC COMMUNITY SCHOOLS
OPERATING INFORMATION
INSURANCE COVERAGE INFORMATION
(UNAUDITED)

Coverage on Buildings, Contents and Property in the Open is written on an "All-Risk" basis for a blanket amount based on a statement of values. Amount of insurance is on an agreed amount basis with a \$10,000 deductible with the coinsurance clause waived annually upon the filing of the statement of values and is based on 90% replacement cost.

<u>Location and/or Item Covered</u>	<u>Buildings</u>	<u>Equipment</u>
High School East 12500 Holly Road	\$ 82,982,876	\$ 4,856,827
High School West 1 Jewett Trail	33,999,017	1,767,443
Middle School East, 6100 Perry Road	31,979,302	1,606,800
Middle School West, 1515 East Reid Road	32,328,028	1,606,800
Bus Garage, 2500 Maple Road	4,160,000	184,195
Bus Garage, R-12500 Holly Road	427,956	145,452
Maintenance Garage	101,759	61,622
Perry Center Building 11920 S Saginaw	22,324,256	649,234
Perry storage shed	1,913	-
McGrath Elementary, 5288 Todd Street	22,384,760	648,447
Anderson Elementary, 5290 Leroy Street	4,739,841	456,293
Brendel Elementary, 223 Bush Street	10,515,618	615,502
Cook Elementary, 4433 E. Cook Road	9,659,266	652,057
Indian Hill Elementary, 11240 Woodbridge Drive	12,799,001	608,947
Myers Elementary & addition, 6085 Sun Valley Drive	6,202,818	807,663
Reid Elementary, 2103 East Reid Road	12,877,133	704,331
Mason Elementary 4437 E. Cook Road	17,006,821	560,794
Paul Madison Administration Building	3,670,454	121,848
Salt shed and Garage	7,305	-
Community Field - Playground and outside equipment	198,049	1,556,866
Batchelor Athletic Field	61,739	210,674
Maintenance Shop	70,715	28,465
Baseball and Softball fields	249,728	444,603
	<u>308,748,355</u>	<u>18,294,863</u>

Total Real & Personal Property (Excluding Floater Policies)	<u><u>\$ 327,043,218</u></u>
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Automobile Insurance

Bodily injury liability	\$ 5,000,000 each occurrence
Statutory no-fault coverages	Included
Uninsured motorist	\$ 1,000,000 each person
	\$ 1,000,000 each accident
Comprehensive (\$ 1,000 deductible)	All vehicles
Collision (\$1,000 deductible)	All vehicles

Comprehensive General Liability

Broad form coverage including personal injury coverages	\$ 5,000,000 each occurrence
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Excess Liability Insurance

Excess over General, Auto, School Board Liability and Employers' Liability	\$ 5,000,000 aggregate
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Workers' Compensation Insurance

Statutory requirements

Statements of Values for various types of property insurance are compiled and filed with the insurance underwriters each year to keep the amount of protection in line with the values of properties owned.

GRAND BLANC COMMUNITY SCHOOLS
OPERATING INFORMATION
SUMMARY OF OWNED BUILDINGS AND SITES
(UNAUDITED)

<u>Building</u>	<u>Year of Construction or Purchase</u>	<u>Number of Stories</u>	<u>Square Footage</u>	<u>Acreage</u>	<u>Number of Classrooms</u>	<u>Number of Students</u>
Instructional						
Elementary Schools						
Anderson	1966	1	39,939	10.0	19	425
Cook	1966	1	39,939	10.0	19	473
Indian Hill	1964	1	58,452	9.5	12	430
Mason	2002	1	72,326	20.0	18	443
McGrath	1955	1	103,000	20.0	31	420
Myers	1956	1	52,415	18.0	19	554
Reid	1964	1	66,536	12.0	20	536
Brendel	1959	1	58,053	17.0	22	397
Middle School East	2006	2	172,300	40.0	40	938
Middle School West	2006	2	172,300	37.3	40	896
High School						
West Campus	1975	2	160,000	58.0	60	670
East Campus	1963	2	399,633	99.0	64	1,821
Ezra W. Perry Center	1924	3	94,635	2.0	23	224
Total Instruction			<u>1,489,528</u>	<u>352.8</u>	<u>387</u>	<u>8,227</u>
Non-Instruction						
Administration Building	1970	1	4,425	1.0		
Maintenance Building	1963	1	10,880	3.0		
Pupil Transportation Buildi	2007	1	15,716	51.0		
Riverbend West Property	1970			11.9		
Total Non-Instruction			<u>31,021</u>	<u>66.9</u>		

GRAND BLANC COMMUNITY SCHOOLS
CONTINUING DISCLOSURE INFORMATION
RETIREMENT PLAN RATES AND CONTRIBUTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Contribution Period</u>	<u>Contribution Rate</u>	<u>Fiscal Year Ended June 30,</u>	<u>Contribution to MPSERS*</u>
October 1, 2007 - September 30, 2008	16.72%	2008	\$ 6,418,080
October 1, 2006 - September 30, 2007	17.74%	2007	6,489,246
October 1, 2005 - September 30, 2006	16.34%	2006	5,466,332
October 1, 2004 - September 30, 2005	14.87%	2005	4,785,515
October 1, 2003 - September 30, 2004	12.99%	2004	4,198,858
October 1, 2002 - September 30, 2003	12.99%	2003	3,779,304
October 1, 2001 - September 30, 2002	12.17%	2002	3,361,656
October 1, 2000 - September 30, 2001	12.16%	2001	3,232,466
October 1, 1999 - September 30, 2000	11.66%	2000	3,021,734
October 1, 1998 - September 30, 1999	10.77%	1999	2,649,722

*Michigan Public School Employees Retirement System

GRAND BLANC COMMUNITY SCHOOLS
CONTINUING DISCLOSURE INFORMATION
CERTIFIED STAFF FULL TIME EQUIVALENTS BY EDUCATION, LANE & STEP
JUNE 30, 2008
(UNAUDITED)

STEP	Lane I B.A. Degree	Lane II B.A.Degree+ 18 Sem. Hrs.	Lane III M. A. Degree B.A.Degree+ 40 Sem. Hrs.	Lane IV M. A. Degree+ 15 Sem. Hrs. B.A.Degree+ 45 Sem. Hrs.	Lane V B.A.Degree+ 70 Sem. Hrs. Education Specialist	Total
1.00	9.00	1.00	-	1.00	-	11.00
1.50	-	-	-	-	-	-
2.00	33.00	3.00	4.00	1.00	1.00	42.00
2.50	1.00	-	-	-	-	1.00
3.00	15.00	8.00	2.00	-	1.00	26.00
3.50	-	-	1.00	-	-	1.00
4.00	3.00	6.00	6.00	2.00	-	17.00
4.50	-	-	1.00	-	-	1.00
5.00	6.00	7.00	23.00	3.00	1.00	40.00
5.50	1.00	-	-	-	-	1.00
6.00	3.00	6.00	19.00	2.00	3.00	33.00
6.50	-	-	-	-	-	-
7.00	2.00	3.00	8.00	3.00	1.00	17.00
7.50	-	-	-	-	-	-
8.00	2.00	4.00	12.00	5.00	3.00	26.00
8.50	-	-	-	-	-	-
9.00	3.00	6.00	14.00	4.00	1.00	28.00
9.50	-	-	-	-	-	-
10.00	-	2.00	9.00	4.00	3.00	18.00
10.50	-	-	-	1.00	-	1.00
11.00	-	10.00	12.00	5.00	4.00	31.00
11.50	-	-	1.00	-	1.00	2.00
12.00	-	9.00	46.00	47.00	57.00	159.00
Total	<u>78.00</u>	<u>65.00</u>	<u>158.00</u>	<u>78.00</u>	<u>76.00</u>	<u>455.00</u>

GRAND BLANC COMMUNITY SCHOOLS
CONTINUING DISCLOSURE INFORMATION
CERTIFIED STAFF SALARY SCHEDULE
FISCAL YEAR 2007-08
(UNAUDITED)

STEP	Lane I	Lane II	Lane III	Lane IV	Lane V
	B.A. Degree	B.A.Degree+ 18 Sem. Hrs.	M. A. Degree B.A.Degree+ 40 Sem. Hrs.	M. A. Degree+ 15 Sem. Hrs. B.A.Degree+ 45 Sem. Hrs.	B.A.Degree+ 70 Sem. Hrs. Education Specialist
1.00	\$ 35,438	\$ 37,246	\$ 39,145	\$ 41,141	\$ 43,240
1.50	36,360	38,214	40,163	42,211	44,364
2.00	37,246	39,145	41,141	43,240	45,445
2.50	38,214	40,163	42,211	44,364	46,626
3.00	39,145	41,141	43,240	45,445	47,763
3.50	40,163	42,211	44,364	46,626	49,004
4.00	41,141	43,240	45,445	47,763	50,198
4.50	42,211	44,364	46,626	49,004	51,504
5.00	43,240	45,445	47,763	50,198	52,759
5.50	44,364	46,626	49,004	51,504	54,130
6.00	45,445	47,763	50,198	52,759	55,449
6.50	46,626	49,004	51,504	54,130	56,891
7.00	47,763	50,198	52,759	55,449	58,277
7.50	49,004	51,504	54,130	56,891	59,792
8.00	50,198	52,759	55,449	58,277	61,249
8.50	51,504	54,130	56,891	59,792	62,842
9.00	52,759	55,449	58,277	61,249	64,373
9.50		56,891	59,792	62,842	66,047
10.00		58,277	61,249	64,373	67,656
10.50		59,792	62,842	66,047	69,415
11.00		61,249	64,373	67,656	71,107
11.50			66,047	69,415	72,955
12.00			67,656	71,107	74,733
Longevity Pay:					
20 years - 2.4%	1,266	1,470	1,624	1,707	1,794
25 years - 4.8%	2,532	2,940	3,247	3,413	3,587

GRAND BLANC COMMUNITY SCHOOLS
CONTINUING DISCLOSURE INFORMATION
CERTIFIED STAFF BASE SALARIES
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Year Ended June 30</u>	<u>Minimum Salary</u>	<u>Percentage Increase</u>	<u>Maximum Salary</u>	<u>Average District Salary*</u>	<u>Average State Salary*</u>
2008	\$ 35,438	1.50%	\$ 74,733	N/A	N/A
2007	34,914	1.50%	73,629	\$56,402	\$55,526
2006	34,398	2.00%	72,540	57,204	54,739
2005	33,724	1.50%	71,119	53,437	53,959
2004	33,226	2.50%	70,069	41,550	52,161
2003	32,416	3.00%	68,366	45,285	53,178
2002	31,472	3.50%	66,374	50,548	52,428
2001	30,408	3.00%	64,129	49,413	51,317
2000	29,522	2.60%	62,261	48,709	49,044
1999	28,774	2.60%	60,683	51,320	47,448

* Source: Michigan Department of Education Bulletin 1014

N/A = data not available